

By Mr. REEDER: Petition of citizens of Kansas, against S. 3940 (Johnston Sunday law)—to the Committee on the District of Columbia.

By Mr. STEENERSON: Petition of citizens of Becker County, Minn., against S. 3940 (Johnston Sunday law)—to the Committee on the District of Columbia.

By Mr. TALBOTT: Petition of Canned Goods Exchange of Baltimore, favoring removal of duty on fresh pineapples—to the Committee on Ways and Means.

By Mr. WALLACE: Paper to accompany bill for relief of J. B. Maryman—to the Committee on Invalid Pensions.

By Mr. WANGER: Petition of citizens of Pennsylvania, in favor of a parcel post—to the Committee on the Post-Office and Post-Roads.

By Mr. WEEKS: Petition of Massachusetts Reform Club, favoring Senate bill 4825, for forest reservations in White Mountains and Southern Appalachian Mountains—to the Committee on Agriculture.

SENATE.

WEDNESDAY, January 6, 1909.

Prayer by the Chaplain, Rev. Edward E. Hale.

The Journal of yesterday's proceedings was read and approved.

LINNEKIN V. UNITED STATES.

The VICE-PRESIDENT laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting a certified copy of the findings of fact, as amended, filed by the court in the cause of Selena A. Linnekin, widow of Thomas J. Linnekin, deceased, *v. United States*, with which is consolidated the cause entitled "Jessie E. Linnekin *v. United States*." (S. Doc. No. 636.) The former findings in case 10942—41 Cong., C. and F., certified to the Senate, December 4, 1906, having been recalled by the court, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

FINDINGS OF THE COURT OF CLAIMS.

The VICE-PRESIDENT laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting a certified copy of the findings of fact filed by the court in the cause of Charles L. Green and Samuel T. Green, executors of Charles Green, deceased, *v. United States* (S. Doc. No. 633), which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. Browning, its Chief Clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 22306. An act to authorize the Delaware, Lackawanna and Western Railroad Company and the Lackawanna Railroad Company of New Jersey to construct and maintain a bridge across the Delaware River from a point near the village of Columbia, Knowlton Township, Warren County, N. J., to the village of Slateford, Northampton County, Pa.;

H. R. 22340. An act relating to injured employees on the Isthmian Canal; and

H. R. 23711. An act to build a bridge across the Santee River, South Carolina.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice-President:

H. R. 17707. An act to authorize William H. Standish to construct a dam across James River, in Stone County, Mo., and divert a portion of its waters through a tunnel into the said river again to create electric power;

H. R. 22879. An act to amend an act entitled "An act to authorize the city of St. Louis, a corporation organized under the laws of the State of Missouri, to construct a bridge across the Mississippi River," approved January 23, 1908; and

H. J. Res. 208. Joint resolution providing for expenses of the House Office Building.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a petition of the General Assembly of the Presbyterian Church of the United States, praying for the enactment of legislation requiring all individuals and corporations engaged in interstate commerce to

grant their employees fifty-two rest days in each year, which was referred to the Committee on Interstate Commerce.

Mr. PLATT presented a petition of Local Grange No. 1072, Patrons of Husbandry, of Binghamton, N. Y., praying for the passage of the so-called "rural parcels-post" and "postal savings banks" bills, which was referred to the Committee on Post-Offices and Post-Roads.

He also presented memorials of sundry citizens of New York City, Brooklyn, the Bronx, Mount Vernon, New Rochelle, Yonkers, and White Plains, all in the State of New York, remonstrating against the enactment of any legislation inimical to the railroad interests of the country, which were referred to the Committee on Interstate Commerce.

He also presented a memorial of the American Locomotive Works, of New York City, N. Y., and a memorial of the Ramapo Iron Works, of Hillburn, N. Y., remonstrating against the adoption of certain proposed amendments to the interstate-commerce law relating to freight rates, which were referred to the Committee on Interstate Commerce.

Mr. FRYE presented a petition of sundry citizens of Topsham, Me., praying for the passage of the so-called "rural parcels-post" and "postal savings banks" bills, which was referred to the Committee on Post-Offices and Post-Roads.

Mr. SCOTT presented a petition of sundry citizens of the State of West Virginia, praying for the passage of the so-called "rural parcels-post" and "postal savings banks" bills, which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of the Board of Trade of Clarksburg, W. Va., remonstrating against the enactment of any legislation tending to continue or aggravate the agitation against corporate interests, which was referred to the Committee on Finance.

Mr. CURTIS presented a petition of sundry citizens of the State of Kansas, praying for the passage of the so-called "rural parcels-post" and "postal savings banks" bills, which was referred to the Committee on Post-Offices and Post-Roads.

Mr. HOPKINS presented a petition of Local Grange No. 584, Patrons of Husbandry, of Waltham, Ill., praying for the passage of the so-called "rural parcels-post" and "postal savings banks" bills, which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of the Manufacturers' Association of Rockford, Ill., remonstrating against the enactment of any legislation tending to continue or aggravate the agitation against corporate interests, which was referred to the Committee on Finance.

Mr. PILES presented a petition of Pleasant Hill Grange, No. 101, Patrons of Husbandry, of Castle Rock, Wash., praying for the passage of the so-called "rural parcels-post" and "postal savings bank" bills, which was referred to the Committee on Post-Offices and Post-Roads.

He also (for Mr. ANKENY) presented a petition of sundry citizens of Trout Lake, Wash., praying for the passage of the so-called "rural parcels-post" and "postal savings banks" bills, which was referred to the Committee on Post-Offices and Post-Roads.

He also (for Mr. ANKENY) presented a petition of members of the Bar Association of Pierce County, Wash., praying for the enactment of legislation to create an additional judge for the western district in that State, and also to increase the salaries of the United States circuit and district court judges, which was referred to the Committee on the Judiciary.

Mr. BURKETT presented a petition of the Commercial Club of Plattsmouth, Nebr., praying that an appropriation of \$500,000,000 be made for the improvement of the rivers and harbors of the country, which was referred to the Committee on Commerce.

Mr. BROWN presented a memorial of sundry citizens of Genoa, Nebr., remonstrating against the enactment of legislation providing for the closing of the United States Indian Industrial School at that city, which was referred to the Committee on Indian Affairs.

Mr. MONEY presented the petition of Frederick Hess, of Pascagoula, Miss., praying for the enactment of legislation to reimburse him for the loss of his title to a part of Round Island, in the Bay of Pascagoula, in that State, which was referred to the Committee on Claims.

Mr. WARREN presented a memorial of the Wool Growers' Association of Big Horn County, Wyo., remonstrating against the enactment of any legislation tending to change the existing land laws of the United States, which was referred to the Committee on Public Lands.

He also presented a memorial of the Cheyenne Branch of Railway Postal Clerks of the State of Wyoming, remonstrating against the enactment of legislation providing for the retirement of superannuated employees in the classified civil service, which was referred to the Committee on Civil Service and Retrenchment.

He also presented a petition of Local Union No. 2282, United Mine Workers of America, of Rock Springs, Wyo., praying for the enactment of legislation providing a sufficient compensation to maintain the families or beneficiaries of those injured in mine disasters, which was referred to the Committee on Mines and Mining.

REPORTS OF COMMITTEES.

Mr. DIXON, from the Committee on Public Lands, to whom was referred the bill (S. 7925) to create an additional land district in the State of Montana, to be known as the "Harlowton land district," reported it without amendment and submitted a report (No. 710) thereon.

Mr. GAMBLE, from the Committee on Public Lands, to whom was referred the bill (S. 7377) authorizing the creation of a land district in the State of South Dakota, to be known as the "Belle Fourche land district," reported it without amendment and submitted a report (No. 711) thereon.

Mr. SMOOT, from the Committee on Public Lands, to whom was referred the bill (S. 7969) for the relief of Theodore Bruener, asked to be discharged from its further consideration and that it be referred to the Committee on Claims, which was agreed to.

He also, from the Committee on Patents, to whom was referred the amendment submitted by Mr. NELSON on the 16th ultimo, proposing to increase the salary of the register of copyrights, Library of Congress, from \$3,000 to \$4,000, intended to be proposed to the legislative, etc., appropriation bill, reported favorably thereon, and moved that it be printed and, with the accompanying paper, referred to the Committee on Appropriations, which was agreed to.

Mr. CULLOM, from the Committee on Foreign Relations, reported an amendment repealing the provision of the diplomatic and consular appropriation law of June 30, 1894, providing that whenever the President shall be advised that any foreign government is represented or is about to be represented in the United States by an ambassador, envoy extraordinary, minister plenipotentiary, etc., he is authorized, in his discretion, to direct that the representative of the United States to such government shall bear the same designation, etc., intended to be proposed to the diplomatic and consular appropriation bill, and moved that it be printed and referred to the Committee on Appropriations, which was agreed to.

Mr. LODGE, from the Committee on Foreign Relations, to whom was referred the amendment submitted by himself on the 17th ultimo, proposing to increase the salary of the envoy extraordinary and minister plenipotentiary to China from \$12,000 to \$17,500, intended to be proposed to the diplomatic and consular appropriation bill, reported favorably thereon, and moved that it be referred to the Committee on Appropriations and printed, which was agreed to.

He also, from the same committee, reported an amendment proposing to appropriate \$66,000 to enable the Secretary of State to return to such contributors as may file their claims within two years after the passage of this act the money raised to pay the ransom for the release of Miss Ellen M. Stone, an American missionary to Turkey, etc., intended to be proposed to the general deficiency appropriation bill, and moved that it be printed and, with the accompanying papers, referred to the Committee on Appropriations, which was agreed to.

Mr. FULTON, from the Committee on Claims, to whom was referred the bill (H. R. 23351) for the relief of the owners of the Mexican steamship *Tabasqueno*, asked to be discharged from its further consideration and that it be referred to the Committee on Foreign Relations, which was agreed to.

Mr. ELKINS. I am directed by the Committee on Interstate Commerce, to whom was referred the bill (S. 423) to amend section 6 of an act entitled "An act to regulate commerce," approved February 4, 1887, and acts amendatory thereof, to report it adversely.

Mr. FULTON. I understand the Senator will later file a written report.

Mr. ELKINS. I will file a report.

The VICE-PRESIDENT. The bill, with the adverse report, will be placed on the calendar.

Mr. FLINT, from the Committee on Public Lands, to whom was referred the bill (S. 7257) providing a means for acquiring title to private holdings in the Sequoia and General Grant na-

tional parks, in the State of California, in which are big trees and other natural curiosities and wonders, reported it with an amendment, and submitted a report (No. 712) thereon.

BILLS INTRODUCED.

Mr. DICK introduced a bill (S. 8183) for the relief of the several States under the act of July 8, 1898, and acts amendatory thereto, which was read twice by its title and referred to the Committee on Claims.

Mr. HOPKINS introduced a bill (S. 8184) granting an increase of pension to Charles G. Sanders, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

He also introduced a bill (S. 8185) granting an increase of pension to George W. Thompson, which was read twice by its title and referred to the Committee on Pensions.

He also introduced a bill (S. 8186) granting an increase of pension to William A. Fry, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. DILLINGHAM introduced a bill (S. 8187) to change the name of the Washington Hospital for Foundlings, which was read twice by its title and referred to the Committee on the District of Columbia.

Mr. SMOOT introduced the following bills, which were severally read twice by their titles and, with the accompanying papers, referred to the Committee on Pensions:

A bill (S. 8188) granting an increase of pension to Matthew Caldwell;

A bill (S. 8189) granting an increase of pension to John Duke;

A bill (S. 8190) granting an increase of pension to Daniel R. Firman; and

A bill (S. 8191) granting an increase of pension to Charles L. White.

Mr. PILES introduced a bill (S. 8192) permitting Salmon M. Allen to make a second homestead entry, which was read twice by its title and, with the accompanying paper, referred to the Committee on Public Lands.

Mr. PILES (for Mr. ANKENY) introduced a bill (S. 8193) granting an increase of pension to Albert Boon, which was read twice by its title and referred to the Committee on Pensions.

Mr. KNOX introduced a bill (S. 8194) granting an increase of pension to George J. Bond, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. CUMMINS introduced a bill (S. 8195) granting an increase of pension to Franklin L. Hays, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. McENERY introduced a bill (S. 8196) to amend the patent laws of the United States, which was read twice by its title and referred to the Committee on Patents.

He also introduced a bill (S. 8197) for the relief of James L. Bradford, which was read twice by its title and referred to the Committee on Public Lands.

Mr. GUGGENHEIM introduced a bill (S. 8198) granting an increase of pension to William J. Renard, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. MILTON introduced the following bills, which were severally read twice by their titles and referred to the Committee on Claims:

A bill (S. 8199) for the relief of the estate of George H. Curry, deceased; and

A bill (S. 8200) for the relief of C. M. Cox.

Mr. CULBERSON (by request) introduced a bill (S. 8201) for the incorporation of a company for the benefit of its members, which was read twice by its title and referred to the Committee on the District of Columbia.

Mr. BROWN introduced the following bills, which were severally read twice by their titles and referred to the Committee on Pensions:

A bill (S. 8202) granting an increase of pension to Moses Bradford;

A bill (S. 8203) granting an increase of pension to Milton H. Bates;

A bill (S. 8204) granting an increase of pension to Mary E. Kellogg; and

A bill (S. 8205) granting an increase of pension to Osmund Mikesell.

Mr. CURTIS introduced the following bills, which were severally read twice by their titles and referred to the Committee on Pensions:

A bill (S. 8206) granting a pension to Maria C. Hanay;

A bill (S. 8207) granting a pension to Sarah E. Garner (with the accompanying papers); and

A bill (S. 8208) granting a pension to William H. Jones (with the accompanying papers).

Mr. PENROSE introduced a bill (S. 8209) to increase and fix the pay of petty officers and enlisted men of the United States Navy, which was read twice by its title and referred to the Committee on Naval Affairs.

He also introduced the following bills, which were severally read twice by their titles and referred to the Committee on Military Affairs:

A bill (S. 8210) to grant an honorable discharge to Harry P. Eakin; and

A bill (S. 8211) to grant an honorable discharge to John W. Hayes, alias William Keating.

Mr. PENROSE introduced the following bills, which were severally read twice by their titles and, with the accompanying papers, referred to the Committee on Military Affairs:

A bill (S. 8212) to grant an honorable discharge to Jacob Aike; and

A bill (S. 8213) to grant an honorable discharge to George W. Hopkins.

Mr. PENROSE introduced the following bills, which were severally read twice by their titles and referred to the Committee on Pensions:

A bill (S. 8214) granting a pension to Jane Elvin;

A bill (S. 8215) granting a pension to Anna M. Reed;

A bill (S. 8216) granting an increase of pension to Cerelle Shattuck;

A bill (S. 8217) granting an increase of pension to James H. Wilson;

A bill (S. 8218) granting an increase of pension to Lewis A. Uhl;

A bill (S. 8219) granting an increase of pension to Hugh Magee; and

A bill (S. 8220) granting an increase of pension to Nancy J. Martin (with accompanying papers).

Mr. BAILEY (by request) introduced a bill (S. 8221) for the relief of Mrs. V. R. Davenport, which was read twice by its title and referred to the Committee on Claims.

Mr. RAYNER introduced a bill (S. 8222) granting an increase of pension to Eliza Mills, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. GUGGENHEIM introduced a bill (S. 8223) turning over the Indian school at Fort Lewis, Colo., to the State of Colorado for school purposes, which was read twice by its title and referred to the Committee on Indian Affairs.

AMENDMENTS TO LEGISLATIVE, ETC., APPROPRIATION BILL.

Mr. CLARK of Wyoming submitted an amendment proposing to increase the salaries of the Chief Justice of the Supreme Court of the United States and associate justices, etc., intended to be proposed by him to the legislative, etc., appropriation bill, which was referred to the Committee on the Judiciary and ordered to be printed.

Mr. KITTREDGE submitted an amendment proposing to increase the salaries of three examiners in chief, Patent Office, from \$3,000 to \$4,500 each, intended to be proposed by him to the legislative, etc., appropriation bill, which was referred to the Committee on Patents and ordered to be printed.

HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred to the Committee on Commerce:

H. R. 22306. An act to authorize the Delaware, Lackawanna and Western Railroad Company and the Lackawanna Railroad Company of New Jersey to construct and maintain a bridge across the Delaware River from a point near the village of Columbia, Knowlton Township, Warren County, N. J., to the village of Slateford, Northampton County, Pa.; and

H. R. 23711. An act to build a bridge across the Santee River, South Carolina.

H. R. 22340. An act relating to injured employees on the Isthmian Canal, was read twice by its title and referred to the Committee on Inter-oceanic Canals.

LANDS IN ALASKA.

Mr. FLINT. I am directed by the Committee on Public Lands, to whom was referred the amendment of the House of Representatives to the bill (S. 6418) authorizing the sale of lands at the head of Cordova Bay, in the Territory of Alaska, and for other purposes, to move that the Senate disagree to the

amendment of the House and request a conference with the House on the disagreeing votes of the two Houses thereon, the conferees to be appointed by the Chair.

The motion was agreed to, and the Vice-President appointed as conferees on the part of the Senate Mr. FLINT, Mr. HEBURN, and Mr. BANKHEAD.

CONSIDERATION OF THE CALENDAR.

The VICE-PRESIDENT. The calendar under Rule VIII is in order. The Secretary will state the first business on the calendar.

The joint resolution (S. R. 74) suspending the commodity clause of the present interstate-commerce law was announced as the first business on the calendar.

Mr. NELSON. Let the joint resolution go over.

The VICE-PRESIDENT. The joint resolution will go over without prejudice, at the request of the Senator from Minnesota.

The resolution (S. Res. 93) relating to the reorganization of the Northern Pacific Railroad Company was announced as the next business on the calendar.

Mr. NELSON. Let the resolution go over.

The VICE-PRESIDENT. The resolution will go over without prejudice, at the request of the Senator from Minnesota.

The bill (S. 915) to prevent the sale of intoxicating liquors in buildings, ships, navy-yards, and parks, and other premises owned or used by the United States Government was announced as next in order.

Mr. SCOTT. Let the bill go over without prejudice.

Mr. BORAH. I ask that the bill may go over.

The VICE-PRESIDENT. The bill will go over without prejudice.

The bill (S. 6576) to regulate the interstate-commerce shipments of intoxicating liquors was announced as next in order.

Mr. KNOX. Let the bill go over.

The VICE-PRESIDENT. The bill will go over without prejudice at the request of the Senator from Pennsylvania.

The bill (S. 7112) for the appointment of an inland waterways commission, with the view to the improvement and development of the inland waterways of the United States, was announced as next in order.

Mr. KEAN. Let the bill go over.

The VICE-PRESIDENT. The bill will go over without prejudice at the request of the Senator from New Jersey.

Mr. TELLER. I will ask to have it go to the calendar, under Rule IX.

The VICE-PRESIDENT. The bill will go to the calendar, under Rule IX, at the request of the Senator from Colorado.

The bill (S. 5310) to authorize the Kaw tribe of Indians residing in the State of Oklahoma to bring suit in the Court of Claims, and for other purposes, was announced as next in order.

Mr. KEAN. I understand there is no report with the bill, and the Senator from Oklahoma [Mr. OWEN] is not present. So I ask that it may go over.

The VICE-PRESIDENT. The bill will go over without prejudice at the request of the Senator from New Jersey.

BANKS IN THE DISTRICT OF COLUMBIA.

The bill (S. 6495) to provide for the incorporation of banks within the District of Columbia was considered as in Committee of the Whole.

Mr. BACON. I should like to ask if there is a report accompanying the bill?

The VICE-PRESIDENT. There is a report accompanying the bill.

Mr. BACON. From what committee?

The VICE-PRESIDENT. From the Committee on the District of Columbia.

Mr. CLAY. I should like to ask the Senator in charge of the bill if it is not true that the bill changes the national banking laws of the country as applied to the District of Columbia? I understand that the general national banking law applies to the District of Columbia as it does to any other section of the country. As I caught the reading of the bill, there are certain restrictions and limitations placed upon the national banking law as applied to the District of Columbia and not applied to the balance of the country. I should be glad to have the Senator from Vermont explain it.

Mr. DILLINGHAM. Mr. President, there are doing business in the city of Washington at this time a large number of banking institutions, a considerable number of whom have received their charters from States and have come here under state charters to do business.

The first section of the bill provides that those who seek to do business in this District may organize banks with not less than \$100,000 capital, under precisely the same conditions that national banks are organized, having the same number of associates, filing the same certificate, and receiving from the Comptroller of the Currency a certificate that they have complied with the law. It puts them under precisely the same regulations that national banks are under for this District.

When we come to the second section, it provides that the banks that have come from outside with outside charters may convert themselves into banks of the District under precisely the same regulations by which state banks convert themselves into national banks. If the Senator will look at section 2, I think he will find that the provisions are almost precisely the same as those in the national banking act providing for the conversion of state banks.

Then, when we come to section 3, there is the following provision:

That from and after the 1st day of January, A. D. 1909, no company, association, or corporation shall transact a banking business or maintain an office or banking house where deposits or savings are received within the District of Columbia except associations organized under the national banking act, corporations organized under an act of Congress entitled "An act to provide for the incorporation of trust, loan, mortgage, and certain other corporations within the District of Columbia," approved October 1, 1890; except also a branch or branches in the District of Columbia of foreign banking corporations which have branches outside the United States and are engaged in international banking, building associations receiving payments from their own members, and corporations organized under this act, and any person, firm, or copartnership now engaged, or that may hereafter engage in the business of private banking in the District of Columbia.

Then comes a provision that private bankers shall pay a license fee, and they are limited in their right to advertise their business. They are not permitted under any circumstances to advertise that they are a bank.

Mr. CLAY. Will the Senator permit me?

The VICE-PRESIDENT. Does the Senator from Vermont yield to the Senator from Georgia?

Mr. DILLINGHAM. Certainly.

Mr. CLAY. If this bill shall become a law, as I understand the Senator, banking associations in the District of Columbia hereafter can not do business except under this act.

Mr. DILLINGHAM. Under this act—

Mr. CLAY. And banking associations that have come into the city and engaged in business under state charters or under the existing law will have to comply with this law; otherwise they will have to go out of business?

Mr. DILLINGHAM. They will have to convert themselves into banking associations under this law and become subject to the examination of the Comptroller of the Currency. That is the object of the bill.

Mr. SMITH of Michigan. The provision in section 3 strikes me as a very radical departure from the rules that have heretofore governed in the organization of national banks. I do not know of any good reason why a foreign banking association, not organized under the laws of our country, should be given such a status in the District of Columbia as section 3 provides. I should like to know from the Senator whether there is any banking corporation now doing business in the District of Columbia not organized under the national banking law. Is this provision to cover some present case?

Mr. DILLINGHAM. It is to cover, as I understand it, Mr. President, one particular case. The International Banking Association—I do not know that I give the name correctly—is a corporation which has branches in almost every nation of the earth. They have a branch in this city, the office being just above Willard's Hotel on F street. I understand that it is an institution of the finest character and standing, and one through which our Government does business in some foreign nations. This exception was put in because it is utterly impossible for a bank of that character to make its reports and keep its accounts as other banks, so that they can be inspected at the same time and bring the reports up to specific dates.

Mr. SMITH of Michigan. I should like to ask the Senator under what law the International Banking Association is incorporated.

Mr. DILLINGHAM. I do not know.

Mr. SMITH of Michigan. I should like to know whether it is an incorporated institution at all or whether it is a purely voluntary association, with a big title and no responsibility to any state or any country. If that is the case, I am utterly opposed to opening the door to general banking business by any association not formed under the law, and subject to the strictest supervision that can be imposed by law.

Mr. FLINT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Vermont yield to the Senator from California?

Mr. DILLINGHAM. Very gladly, if the Senator from California can give any information on that point.

Mr. FLINT. I desire to ask under what rule this bill is being considered, and whether an objection will take it over.

The VICE-PRESIDENT. It is being considered under Rule VIII, and is subject to objection.

Mr. FLINT. I ask that it may go over. A commission is now examining this very question, and it seems to me a mistake to take up the banking question for the District of Columbia when we now have a financial commission considering the whole banking system of the country.

The VICE-PRESIDENT. The bill will go over without prejudice, at the request of the Senator from California.

APPEALS FROM DISTRICT COURT OF ALASKA.

The bill (H. R. 13649) providing for the hearing of cases upon appeal from the district court for the district of Alaska in the circuit court of appeals for the ninth circuit was considered as in Committee of the Whole.

Mr. KEAN. Is there a report accompanying the bill?

The VICE-PRESIDENT. A report accompanies the bill.

Mr. KEAN. Let the report be read. The report is brief.

The VICE-PRESIDENT. The Secretary will read the report. The Secretary read the report submitted by Mr. FULTON May 18, 1908, as follows:

The Committee on the Judiciary, to whom was referred the bill (H. R. 13649) providing for the hearing of cases upon appeal from the district court for the district of Alaska in the circuit court of appeals for the ninth circuit, having had the same under consideration, respectfully report it back to the Senate and recommend that it do pass.

At the present time practically all appeals from the district court of Alaska must be heard at San Francisco. There is no direct communication between San Francisco and Alaska, and hence the litigant in Alaska in order to attend the court of appeals in San Francisco must pass through Seattle, Wash., or Portland, Ore., both going to and returning from San Francisco, and must travel about 2,000 miles farther than if the case were heard at Seattle, Wash., or Portland, Ore. There is now annually held both at Seattle and Portland a term of the circuit court of appeals; hence it will impose no inconvenience on the court to hear at one of those places all cases which the best interests of the Alaska litigants require should be heard there. The Delegate from the district of Alaska strongly favors this bill, which proposes to change the existing law so that the trial court may designate at what place the appeal shall be heard—that is, whether it shall be heard at San Francisco, Cal.; at Portland, Ore.; or at Seattle, Wash. It is provided, however, that at any time before the hearing of the appeal the parties thereto may stipulate at which of the above-named places the same shall be heard.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

INLAND WATERWAYS COMMISSION.

The bill (H. R. 21899) for the appointment of an inland waterways commission, with the view to the improvement and development of the inland waterways of the United States, was announced as next in order.

Mr. KEAN. Let the bill go over.

The VICE-PRESIDENT. The bill will go over without prejudice, at the request of the Senator from New Jersey.

CONDEMNATION OF LAND.

The bill (S. 6626) providing for the condemnation for any public purpose of lands owned or held by the United States was announced as next in order.

Mr. FLINT. Let the bill go over.

The VICE-PRESIDENT. The bill will go over, at the request of the Senator from California, without prejudice.

COL. WILLIAM F. STEWART.

The next business on the calendar was Senate resolution 192, requesting the President to convene a court of inquiry in the case of Col. William F. Stewart.

Mr. FRYE. Let the resolution go over.

The VICE-PRESIDENT. The resolution will go over, without prejudice, at the request of the Senator from Maine.

Mr. LODGE. The resolution has never been to any committee. It went to the calendar, under the rule, at 2 o'clock. I suggest that it be referred to the Committee on Military Affairs. I make that motion.

The VICE-PRESIDENT. The Senator from Massachusetts moves that the resolution be referred to the Committee on Military Affairs.

The motion was agreed to.

CHARLES J. SMITH.

The bill (S. 6586) to correct the military record of Charles J. Smith was considered as in Committee of the Whole.

The bill was reported from the Committee on Military Af-

fairs with an amendment to strike out all after the enacting clause and insert:

That Charles J. Smith shall hereafter be held and considered to have been honorably discharged as a private of Company F, Third Regiment New Jersey Volunteer Cavalry, as of date August 1, 1865; and that the Secretary of War be, and he is hereby, authorized and directed to issue to said Charles J. Smith an honorable discharge as of that date: *Provided*, That no pay, bounty, or other emoluments shall accrue or become payable by virtue of the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROBERT B. WHITACRE AND FREDERICK T. HILDRED.

The bill (S. 7721) for payment of Robert B. Whitacre and Frederick T. Hildred the sum of \$944.97 for blasting powder used by the United States Government to complete the Belle Fourche irrigation project was considered as in Committee of the Whole.

Mr. KEAN. Let the report in that case be read.

The VICE-PRESIDENT. The Secretary will read the report at the request of the Senator from New Jersey.

The Secretary read the report submitted by Mr. CLAPP December 16, 1908, as follows:

The Committee on Claims, to which was referred the foregoing bill, having examined the same, report it favorably and recommend its passage without amendment.

MEMORANDUM.

In 1906 the firm of Widell-Finley Company was engaged in the construction of the irrigation project known as the "Bellefourche project," in South Dakota. While so engaged the claimants furnished, among other things, 800 kegs of blasting powder. Upon the failure of the contractors this powder was unpaid for, and the Government had and used 742½ kegs of said powder, as appears from the letter of the acting director hereto attached. While the contract price for the work amounted to over \$100,000, the bond taken by the Government was only \$21,500. Upon the failure of the contractors the Government continued the work at a cost of about \$65,000, which more than exhausted the bond. The law provides that persons furnishing goods can join in a suit on a bond, but can only participate in the benefits after the charge of the Government has been paid. (See ch. 778 of the Laws of 1905, p. 811, Stat. L., 33, pt. 1.)

Under the rules parties are not furnished information as to the amount of the bond, and therefore naturally rely on the Government taking a sufficient bond.

In further support of the report reference is made to the exhibits hereto attached.

EXHIBIT A.

ST. PAUL, MINN., November 25, 1907.

Hon. F. H. NEWELL,
Chief of Bureau of Reclamation, Washington, D. C.

DEAR SIR: We hereby respectfully submit our claim against the United States for \$942.97 with interest from March 26, 1906, at 6 per cent per annum.

This amount is the purchase price and reasonable value of 742½ kegs of blasting powder sold and delivered by us to Widell-Finley Company at Bellefourche, S. Dak., on February 1, 1906, and appropriated and used by the United States in the completion of government work at that point. No part of this claim has been paid.

The facts connected with this claim are as follows:

On January 25, 1906, we contracted with Widell-Finley Company to sell and deliver to them at Bellefourche, S. Dak., 800 kegs of blasting powder for \$1,016 (freight to be added), to be used in the government work at that place provided for in Schedule No. 2, main supply canal, and to be paid for within sixty days from delivery.

Our claim as originally presented to the United States (see letter No. 4, hereto attached), was for \$1,318.61, which covered 800 kegs of powder at \$1,016, freight (paid by Widell-Finley Company) \$264; fuses returned to us, \$38.61.

Previous to our contract for this powder the Widell-Finley Company contracted with the United States to do this work, as we are advised, for \$107,000. (See copy of letter of Mr. R. F. Walter, engineer in charge, of July 17, 1906, marked No. 1.)

These contractors furnished a bond, dated April 26, 1905, for \$21,500 (copy of which is attached, marked No. 2). We have not been able to secure copy of the contract. (See copy of letter attached, marked No. 3, dated December 6, 1906, from the Assistant Secretary of the Interior.)

On February 14, 1906, a petition of certain creditors was filed in the District Court of the United States at Mankato, Minn., requesting the appointment of a trustee in bankruptcy of the Widell-Finley Company, which petition was heard, and they were adjudged bankrupts on February 25, 1906, and Henry W. Volk, of Mankato, appointed trustee.

The United States then took charge of the work and took possession of and used 742½ kegs of this powder in prosecuting the work. (See letter of June 19, 1906, of Acting Director of Geological Survey, marked No. 4.)

This work was completed by the Government about September 4, 1907, at a cost in excess of the contract price "in the neighborhood of \$65,000." (See copy of letter of Mr. Walter, dated September 4, 1907, and marked No. 5.)

It is impossible to determine what, if any, dividend will be paid in this bankruptcy proceedings, but it is safe to say that such dividend, if any, will be absorbed in paying the claim of the United States against Widell-Finley Company on account of this contract, the United States being a preferred creditor.

We were advised by letter of the Acting Director of the Geological Survey, dated June 19, 1906 (copy of which is attached, marked "No. 4"), that persons supplying material in connection with public works are given a "complete remedy" under the terms of the act of Congress entitled "An act for the protection of persons furnishing ma-

terial and labor in the construction of public works," passed August 13, 1894, and amended February 24, 1905 (32 U. S. Stat., 811).

In this case, however, a bond for only 20 per cent of the contract price was required, although the contract price was entirely inadequate. (See letter of Mr. Walter dated October 19, 1906, marked "No. 6.")

The liability on the bond will be entirely exhausted by the United States as a preferred creditor under this act.

The fact is that Widell-Finley Company at the time of making our contract was insolvent, and must have known that they could not pay for the powder. We are advised by our attorney that if this fact was then known to them, we could avoid the sale and take possession of the powder as against everyone but the United States.

We were, however, powerless to proceed against the Government as we might against a private individual to recover the powder, as the United States can not be sued, and we, therefore, permitted the Government to use our powder, expecting to receive pay for it when the claim was properly presented.

On December 13, 1906, we filed our claim with the trustee in bankruptcy, believing that the Government would expect that we reduce the claim by any dividends that might be paid.

As no liens for material or labor can be filed on government property or in connection with government work, the statute before referred to was passed as we understand it, and as it appears to be understood by government officials (see letter No. 4), to furnish a name by which such claims may be paid in case of default on the part of the contractor.

It seems to us, therefore, clearly the duty of the United States Government to exact a sufficient bond. This they failed to do, taking a bond, as before mentioned, for only 20 per cent of the contract price, which price was, according to Mr. Walter, "much lower than anyone could do the work." (See letter No. 6.)

The act before mentioned, which, according to its terms, is "for the protection of persons furnishing material and labor in the construction of public work," is, of course, entirely ineffectual if the government officials charged with the duty of securing the bond fail to fix an amount sufficiently large to indemnify material men against all contingencies.

Our position and claim for compensation direct from the Government is that the Government used and had the benefit of our powder, and is as much obligated to pay for it as if it contracted directly with us for it.

We also claim the right for compensation on the additional ground that the Government failed to provide a sufficient bond for the benefit of persons supplying material or labor in connection with this work.

Yours, respectfully,

R. B. WHITACRE & Co.

No. 1.

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY, RECLAMATION SERVICE,
Bellefourche, S. Dak., July 17, 1906.

Mr. A. E. HORN,
Room 914 Pioneer Press Building, St. Paul, Minn.

DEAR SIR: I have your inquiry of July 14, and in answer to the questions therein would state that the amount of contract with the Widell-Finley Company for schedule 2, main supply canal, was \$107,000. The amount paid them to date by the Government is \$57,800. It is impossible to tell what the finishing of the work is going to cost the Government at this time, as the work will not be completed for about three months, but it is certainly going to cost more than the contract price.

Yours, truly,

R. F. WALTER,
Engineer in Charge.

No. 2.

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY, RECLAMATION SERVICE,
BOND.

Know all men by these presents, that we, The Widell-Finley Company, a corporation duly organized under the laws of the State of Minnesota and doing business in Mankato, county of Blue Earth and State of Minnesota, principal, and Adolph O. Eberhart and Thomas R. Coughlan, of Mankato, county of Blue Earth and State of Minnesota, and William G. Hoerr and Frederick Kron, of Mankato, county of Blue Earth and State of Minnesota, sureties, are held and firmly bound unto the United States of America in the sum of \$21,500 lawful money of the United States, for which payment well and truly to be made we bind ourselves, and each of us, our and each of our heirs, executors, administrators, and assigns, for and in the whole, jointly and severally, firmly by these presents.

Sealed with our seals and attested by our signatures at Mankato, Minn., this 26th day of April, in the year of our Lord 1905.

The nature of this obligation is such that if the said The Widell-Finley Company, its successors and assigns, or any of them, shall and do in all things well and truly observe, perform, fulfill, accomplish, and keep, all and singular, the covenants, conditions, and agreements whatsoever which, on the part of the said principal, its successors and assigns, are, or ought to be, observed, performed, fulfilled, accomplished, and kept, comprised, or mentioned in certain articles of agreement bearing date the 26th day of April, 1905, between the said principal and E. A. Hitchcock, Secretary of the Interior, concerning the construction and completion of the work provided in schedule 2, main supply canal, Bellefourche project, South Dakota, according to the true intent and meaning of said articles of agreement, and shall promptly make payment to all persons supplying labor and materials for the prosecution of the work provided for, then the above obligation to be void; otherwise to remain in full force and virtue.

In testimony whereof the said principal and sureties have hereunto subscribed their hands and affixed their seals the day and year first above written.

Signed, sealed, and delivered in the presence of—

THE WIDELL-FINLEY COMPANY.

No. 3.

DEPARTMENT OF THE INTERIOR,
Washington, December 6, 1906.

MESSRS. R. B. WHITACRE & Co.,
St. Paul, Minn.

SIRS: Referring to your request of the 13th ultimo for a certified copy of the contract and bond of the Widell-Finley Company for the

construction of schedule 2, main supply canal, Bellefourche project, South Dakota, you are advised that under the act of February 24, 1905 (33 Stat., 811), a certified copy of said contract and bond can be furnished only after the expiration of six months from the completion and final settlement of the contract, and then only in case suit on the bond shall not have been instituted by the United States.

For your further information herein I inclose copy of a letter of the 28th ultimo from the Acting Director of the Geological Survey reporting upon your request.

Very respectfully,

THOS. RYAN,
First Assistant Secretary.

EXHIBIT B.
No. 4.

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY,
Washington, D. C., June 19, 1906.

Hon. F. C. STEVENS,
House of Representatives.

SIR: Replying further to your letter of May 16, 1906, regarding the claim of R. B. Whitacre & Co., of St. Paul, Minn., for \$1,318.61, representing the value of 800 kegs of blasting powder furnished by that company to the Widell-Finley Company for their use in connection with the contract of the latter company on the Bellefourche project, South Dakota, I have to advise you that a statement has just been received from the engineer in charge of the project in regard to the matter.

The contract of the Widell-Finley Company provides that if for any reason the contractors fail to prosecute the work as required under the specifications, the Secretary of the Interior may suspend the contract and take possession of the machinery, material, and animals on the ground, completing the work at the expense of the contractor. The Widell-Finley Company failed to proceed with their work in accordance with the specifications, and the contract was therefore suspended by the Secretary of the Interior, all materials on the ground being taken possession of and used by the Government in the prosecution of the work. Among the material thus taken and used was a quantity of powder, amounting to 742½ kegs.

The engineer states that he does not know by whom this powder was furnished the contractors, or whether any of it was furnished by your correspondents. The protection of the interests of the Government makes it impossible for the United States to make direct payment of claims of the nature presented by Messrs. Whitacre & Co. Persons or companies supplying material or labor for use in connection with the construction of public works are given a complete remedy under the terms of the act of August 30, 1894, as amended by the act of February 24, 1905. (32 Stat., 811.)

Very truly, yours,

H. C. RIZER, Acting Director.

No. 5.

DEPARTMENT OF THE INTERIOR,
UNITED STATES RECLAMATION SERVICE,
Bellefourche, S. Dak., September 4, 1907.

Mr. A. E. HORN,
Pioneer Press Building, St. Paul, Minn.

DEAR SIR: I have to advise that the work on the Widell-Finley job has been completed by the Government; that the cost of the work in excess of the contract price is in the neighborhood of \$65,000. An exact statement of money spent and money due them on the contract and amount due the Government from the Widell-Finley Company is being prepared and will be submitted to the proper authorities within a very short time.

Yours, very truly,

R. F. WALTER,
Engineer in Charge.

No. 6.

DEPARTMENT OF THE INTERIOR,
UNITED STATES RECLAMATION SERVICE,
Bellefourche, S. Dak., October 19, 1906.

A. E. HORN,
Attorney at Law, 914 Pioneer Press Building, St. Paul, Minn.

DEAR SIR: I have your letter of October 11, inquiring as to the Widell-Finley Company contract on the Bellefourche project, and in reply will state that the work is being carried on by force account by the Government, but on account of the scarcity of labor it has not been completed as soon as we expected. It probably will not be completed before next spring. The scarcity of labor has increased the cost of this a great deal, and as the Widell-Finley Company had a very low price bid, in fact much lower than anyone could do the work, it is very probable that the extra cost will be more than the bond, although the exact figures can not be given until the work is completed.

Very truly, yours,

R. F. WALTER,
Engineer in Charge.

STATE OF MINNESOTA, County of Blue Earth, ss:

Gustaf Widell, being duly sworn, deposes and says: That he was a member of the company known as the Widell-Finley Company, which entered into a contract on the 26th day of April, 1905, with E. A. Hitchcock, Secretary of the Interior, concerning the construction of main supply canal, Bellefourche project, South Dakota, the same being an irrigation project; that he has read the annexed letter (marked Exhibit A) bearing date November 25, 1907, addressed to Hon. F. H. Newell, Chief of Bureau of Reclamation, signed by R. B. Whitacre & Co., but does not confirm its allegation as to knowledge of insolvency; that he has also read the annexed letter (marked Exhibit B) signed by H. C. Rizer, acting director, and addressed to Hon. F. C. Stevens, dated June 19, 1906; that said Whitacre & Co. furnished the powder to be used on said work, as set forth in said letter (Exhibit A), and that the powder referred to in said letter (Exhibit B) as taken and used by the Government to the amount of seven hundred forty-two and one-half (742½) kegs was a part of the powder furnished by said Whitacre & Co., to deponent's knowledge.

GUSTAF WIDELL.

Subscribed and sworn to before me this 23d day of November, 1908.
[SEAL.] A. C. EBERHART,

Notary Public, Blue Earth County, Minn.

My commission expires November 1, 1914.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SALE OF PUBLIC LANDS.

The bill (S. 556) to amend an act entitled "An act to amend an act entitled 'An act to amend section 2455 of the Revised Statutes of the United States,' approved February 26, 1895," approved June 27, 1906, was considered as in Committee of the Whole. It proposes to amend the act so as to read as follows:

That it shall be lawful for the Commissioner of the General Land Office to order into market and sell, at public auction at the land office of the district in which the land is situated, for not less than \$1.25 per acre, any isolated or disconnected tract or parcel of the public domain less than one-quarter section which, in his judgment, it would be proper to expose for sale after at least thirty days' notice by the land officers of the district in which such land may be situated: *Provided*, That this act shall not defeat any vested right which has already attached under any pending entry or location.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ODD FELLOWS' CEMETERY AT CENTRAL CITY, COLO.

The bill (S. 1197) setting apart a tract of land to be used as a cemetery by the Independent Order of Odd Fellows of Central City, Colo., was considered as in Committee of the Whole. It authorizes the Secretary of the Interior to set apart, from and out of the mineral lands in Eureka mining district, Gilpin County, Colo. (such lands having been heretofore returned to the land office at Central City as mineral lands), a tract of land not exceeding 7 acres in extent, therein described, to be used by the Independent Order of Odd Fellows of Central City, Colo., as a cemetery.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PAROLE OF UNITED STATES PRISONERS.

The bill (S. 4027) to parole United States prisoners, and for other purposes, was considered as in Committee of the Whole.

The bill had been reported from the Committee on the Judiciary with amendments. The first amendment was, in section 1, page 1, line 7, after the word "day," to strike out "other than for life, except as hereinafter mentioned;" and after the word "than," at the end of line 10, strike out "six months" and insert "one year," so as to make the section read:

That every prisoner who has been, is now, or may hereafter be convicted of any offense against the law or laws of the United States and is confined in execution of the judgment of such conviction in any United States penitentiary, prison, or jail for a definite term of over one year and one day, whose record of conduct shows he has observed the rules of such institution and has been confined in same for a period not less than one year, may be released on parole as hereinafter provided.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 2, after the words "with the," to strike out "chief clerk, chaplain, and;" in line 3, before the word "general," to insert the article "a;" in line 6, after the word "clerk," to insert "of such prison;" in line 9, after the word "necessary," to strike out the following proviso:

Provided, That the first meeting shall occur within thirty days after this act becomes operative, and that not more than ninety days shall elapse between the convening days of any two meetings of said board, and that at each meeting they shall act on all such cases that, under the provisions of this act, are entitled to a hearing at such time, and each and every prisoner confined in said prison, and who is within the requirements and meaning of this act, shall be entitled to and permitted to appear before said board at such meetings and apply in person for his release on parole.

And in lieu thereof to insert—

Provided, That in every case where a prison or jail other than a United States penitentiary is used for the confinement of such prisoners it shall be the duty of the Attorney-General to designate the officers of said prison who, together with the general agent of the Department of Justice at Washington, shall constitute such board for said prison.

So as to make the section read:

Sec. 2. That the warden of each United States penitentiary, with the physician of such prison, together with a general agent of the Department of Justice at Washington, D. C., shall constitute a board of parole for such prison, and the warden shall be president and the chief clerk of such prison shall be clerk of said board of parole, and the meetings shall be held at each prison as often as the warden of such prison shall deem necessary: *Provided*, That in every case where a prison or jail other than a United States penitentiary is used for the confinement of such prisoners it shall be the duty of the Attorney-General to designate the officers of said prison who, together with the general agent of the Department of Justice at Washington, shall constitute such board for said prison.

The amendment was agreed to.

The next amendment was, in section 3, page 3, line 3, after the word "parole," to strike out "as hereinafter provided;" in line 6, after the word "parole," to strike out "shall" and

insert "may, in its discretion;" in line 7, before the word "after," to strike out "and;" in line 9, after the words "sum of," to strike out "twenty-five" and insert "one hundred;" in line 13, after the word "conditions," to insert "including personal reports from such paroled person;" and in line 20, after the word "thereto," to insert "the said board shall in any parole granted fix the limits of the residence of the person paroled, which limits may thereafter be changed, enlarged, or limited as in the discretion of the board shall be deemed advisable: *Provided*, That no release on parole shall become operative until the findings of the board of parole under the terms hereof shall have been approved by the Attorney-General of the United States," so as to make the section read:

SEC. 3. That if it shall appear to said board of parole from a report by the proper officers of such prison or upon application by a prisoner for release on parole that there is a reasonable probability that such applicant will live and remain at liberty without violating the laws, then said board of parole may, in its discretion, authorize the release of such applicant on parole, after he has executed a good and sufficient bond in the sum of \$100, said bond to become forfeit only in event of such applicant violating the articles of his parole; and he shall be allowed to go on parole outside of said prison walls and inclosure, returning to his former home if he desire, but upon such terms and conditions, including personal reports from such paroled person, as said board of parole shall prescribe, and to remain, while so on parole, in the legal custody and under the control of the warden of such prison from which paroled and until the expiration of the term specified in his sentence, less good time allowed as is or may hereafter be provided for by act of Congress in relation thereto; the said board shall in any parole granted fix the limits of the residence of the person paroled, which limits may thereafter be changed, enlarged, or limited as in the discretion of the board shall be deemed advisable: *Provided*, That no release on parole shall become operative until the findings of the board of parole under the terms hereof shall have been approved by the Attorney-General of the United States.

The amendment was agreed to.

The next amendment was, in section 4, page 4, line 7, after the word "warden," to strike out "or said board or any member thereof," so as to make the section read:

SEC. 4. That if the warden of the prison or penitentiary from which said prisoner was paroled or said board of parole or any member thereof shall have reliable information that the prisoner so on parole has violated his parole and has lapsed into criminal ways, then said warden may issue his warrant for the retaking of such prisoner at any time prior to the period for which said prisoner might have been confined within the prison walls upon his sentence, less good time as is or may hereafter be provided for by act of Congress, which unexpired time shall be specified in said warrant.

The amendment was agreed to.

The next amendment was, in section 5, page 5, line 5, before the word "fund," to insert the article "the," so as to make the section read:

SEC. 5. That any officer of said prison or any federal officer authorized to serve criminal process within the United States, to whom such warrant shall be delivered, is authorized and required to execute such warrant by taking such prisoner and returning him to said prison within the time specified in said warrant therefor. Such officer, other than an officer of the prison, shall be entitled to receive the same fees therefor as upon the execution of a warrant of arrest at the place where said prisoner shall be taken as for transporting a convict from the place of arrest to the prison, such fees of the officer, other than a prison officer, and the expense of a prison officer in executing such warrant shall be paid by the warden and clerk of the prison out of the money received as proceeds from forfeiture of bonds as hereinbefore provided, if sufficient therefor, and otherwise out of the funds of the prison, while any surplus remaining from forfeiture of such bond shall be returned to the fund at such prison or use in other like cases.

The amendment was agreed to.

The next amendment was, on page 5, after line 20, to strike out section 7, as follows:

SEC. 7. Life sentences, sentences of one hundred years, ninety-nine years, and all sentences for a period of more than twenty years, heretofore or hereinafter imposed on any person shall be construed and shall mean twenty years' imprisonment, which shall be the maximum sentence of imprisonment, the minimum sentence of which term of imprisonment shall be the same, less good time allowance, as is, or may hereafter be, provided by act of Congress; and said prisoners shall in all cases be entitled to the minimum sentence, except they forfeit a portion or the whole of said good time by misbehavior, of which a record shall be kept, the cause of the forfeiture and the good time forfeited by such misbehavior.

The amendment was agreed to.

The next amendment was, on page 6, after line 14, to strike out section 9, as follows:

SEC. 9. That whereas an emergency exists for the taking effect of this act at as early a date as information of its provisions can be made known, it is declared that the same shall be in force and effect from and after thirty days after its passage, and it shall be the duty of the Attorney-General to transmit a true copy of this act to the proper authorities within fifteen days of the passage of the same.

The amendment was agreed to.

Mr. HALE. This bill, Mr. President, is one of very great importance as affecting the result of the criminal jurisprudence of the United States. So far as my knowledge goes of legislation of this kind in this country, it is a novelty. I should be glad to have the chairman of the committee reporting this bill to the Senate give the Senate some information as to the extent of the investigation that that committee made into this subject,

the precedents, if there are precedents for such a statute, in order that the Senate—and I can speak for myself as needing information on this subject—may be informed.

Take the first section of the bill—

That every prisoner who has been, is now—

It relates not only to future trials, but to present and past ones as well—

That every prisoner who has been, is now, or may hereafter be convicted of any offense against the law or laws of the United States and is confined in execution of the judgment of such conviction in any United States penitentiary, prison, or jail for a definite term of over one year and one day, whose record of conduct shows he has observed the rules of such institution—

All these, to me revolutionary, provisions as to shortening sentence and the release of prisoners are made to depend upon the prisoner observing the rules of the prison.

Mr. BACON. If the Senator will pardon me—

The VICE-PRESIDENT. Does the Senator from Maine yield to the Senator from Georgia?

Mr. HALE. Certainly.

Mr. BACON. I would suggest that that is to be read in connection with the first part of the third section, on the third page. If the Senator will read that in connection with the portion he has just quoted—

Mr. HALE. I have read that.

Mr. BACON (continuing). He will see that a good deal more is required than observance of the rules.

Mr. HALE. Yes; but that is the foundation. The bill continues:

May be released on parole as hereinafter provided.

I do not know but that it is better, after deliberate and solemn trial in the courts and the imposition of adequate and, it is to be presumed, not too severe punishment by the judge holding the court, who has a knowledge of all the facts and all the circumstances and all the guilt—I do not know but that it is good legislation to interfere with all that and to provide easy ways for the convicts to be entitled first to partial parole; but later in the bill I see provisions allowing complete deliverance from imprisonment and the visiting of homes and families, all upon the discretion and adjudication of narrow, quasi tribunals that are created by the bill to consider a question which has been passed upon by impartial juries and judges. Courts made up of jailors and doctors and minor officials will always have—

Mr. BACON. If the Senator will pardon me again—

The VICE-PRESIDENT. Does the Senator from Maine yield to the Senator from Georgia?

Mr. HALE. Certainly.

Mr. BACON. I will ask that he read in connection with that particular part upon which he is now commenting the proviso that no finding of this board can be carried into execution without the approval of the Attorney-General.

Mr. HALE. That does not meet my objection; in fact, that is of itself objectionable in conferring upon the Attorney-General a function which should not be placed upon him. The Attorney-General does not try these cases. They are all tried by subordinates. They are passed upon by judges and by juries, and I would not have the Attorney-General burdened with this most onerous new duty that will be imposed upon him.

If this bill passes, Mr. President, the cases that will arise under it will not be numbered by dozens or scores, but by hundreds, and the prisons, the places to which prisoners and convicts are consigned by the law, will naturally and inevitably be the scene of constant efforts to reduce or substantially destroy the punishment that has been imposed by the highest authority.

I have had no time to scrutinize in detail all the provisions of this bill, but I have read it once hurriedly, and I am apprehensive, Mr. President, of great trouble and mischief resulting from the passage of an act of the grave importance of this bill, particularly when the Senate is not full, and will not be full, to-day, and perhaps not to-morrow. I shall be very glad to hear from the chairman of the committee as to some of the considerations that moved that great and conservative committee which has had in charge the investigation of this subject.

Mr. CLARK of Wyoming. Mr. President, I will say for the benefit of the Senator from Maine that the Committee on the Judiciary did not act hurriedly upon this matter. It is a subject which it has had under consideration for more than a year. Neither is it a new departure in the line of reformation or punishment of criminals. The bill, so far as the Government of the United States is concerned, seemed to be called for because of the peculiar condition in the various penitentiaries in which the government prisoners are confined. So far is it from being a new departure that nearly all—I will not say "nearly

all," but a majority—of the States in the Union have seen fit to place upon their statute books parole laws, nearly all of them much more liberal than that proposed by the bill now under consideration. I have here a list of some of the States, which I hurriedly took from my desk when informed that the bill was under consideration in the Senate—Kansas, New Jersey, California, Connecticut, Michigan, Minnesota, New Hampshire, New York, Vermont, Ohio, Iowa, Georgia, Colorado, Idaho, Nevada, Tennessee, Arizona, West Virginia, Massachusetts, Virginia. The roll is quite an extensive one of the States that have adopted laws similar to the one which is now proposed.

The attention of the committee was first called to this by a situation that occurred in Ohio—I have forgotten in which district, but I think in the northern district of Ohio—in which a United States prisoner was sentenced to one of their state reformatory institutions. He asked to be paroled under the operation of the state law and under the law which says that he shall be confined there according to the rules and regulations of that prison. The matter came before the United States district judge, who decided in favor of the prisoner. The United States, however, took no occasion to question that decision any further. The Department of Justice at Washington holds—and consistently has held—that, so far as United States prisons are concerned, the rules and regulations relating to the confinement do not apply to parole.

There are those upon this floor who have been governors of States where the parole system has been in operation and where it has given very great satisfaction.

Mr. HALE. Let me ask the Senator a question.

The VICE-PRESIDENT. Does the Senator from Wyoming yield to the Senator from Maine?

Mr. CLARK of Wyoming. I do.

Mr. HALE. We have in Maine legislation that mitigates the severity of sentence by a small percentage, dependent upon the good behavior of the prisoner. That law is said to have worked satisfactorily. But it does not take the convict on the say so of any parole board from the prison at any time after six months or a year or whatever time may be fixed in limitation and set him loose. I wish the Senator would tell me whether he has the record of any State that has a provision like this:

Sec. 3. That if it shall appear to said board of parole from a report by the proper officers of such prison or upon application by a prisoner for release on parole, that there is a reasonable probability that such applicant will live and remain at liberty without violating the laws—

A prisoner may be confined for the gravest and perhaps the most infamous of crimes, but if a board shall decide, notwithstanding he may be a hardened criminal, one who has served many terms, that he—

will live and remain at liberty without violating the laws, then said board of parole may, in its discretion, authorize the release of such applicant on parole—

Remove him from prison, and—

after he has executed a good and sufficient bond in the sum of \$100.

Any bond. One hundred dollars is of no account. It is not a deterrent.

Mr. CLARK of Wyoming. The Senator will surely understand the reason for that bond. He is certainly not arguing that question seriously.

Mr. HALE. No; I do not think that bond is of any importance.

Mr. CLARK of Wyoming. The occasion of the bond is simply to reimburse the expenses incurred by the Government—

Mr. HALE. Yes.

Mr. CLARK of Wyoming (continuing). In conveying the prisoner back to the prison. I hope the Senator will not give that consideration.

Mr. HALE. I do not believe that the taking of a bond will transform into a good citizen a hardened prisoner who has been sentenced by the courts.

Mr. CLARK of Wyoming. The Senator does not mean to use that as argument against this bill?

Mr. HALE. I think it is of very small importance.

Mr. CLARK of Wyoming. The bond is not intended for that, as the Senator well knows.

Mr. HALE. I do not consider it of any importance.

Mr. CLARK of Wyoming. No.

Mr. HALE. The bill provides:

Said bond to become forfeit only in event of such applicant violating the articles of his parole; and he shall be allowed to go on parole outside of said prison walls and inclosure, returning to his former home if he desire, but upon such terms and conditions, including personal reports from such paroled person, as said board of parole shall prescribe.

Now, I suppose I am old fashioned and too conservative, but a bill that takes the entire body of criminals, who have been

convicted in United States courts, and on the say so and the importunity of a small board releases and allows convicts to be let loose upon the community, upon the belief that they will become good citizens, is to me the greatest of innovations and a very dangerous proceeding. I certainly can not vote for any such bill.

Mr. CLARK of Wyoming. The Senator asked me whether I could cite him to any State that had similar provisions. I can not off-hand give the exact provisions of any of the statutes of the States, but it is a safe proposition that all of the States which have passed parole laws have provisions similar to these, because if a parole law is to be passed at all, the parole power must be given to somebody. So far as I know, this measure guards it more strictly than the general state laws guard it, because after the board has acted (and one member of the board is an agent of the Department of Justice of the Government of the United States) the parole does not become operative until the findings have been approved by the Attorney-General of the United States.

Now, to my notion the parole law is simply a modification of the pardon law. There are cases where the President may not want to pardon a man absolutely, where the circumstances of the case and the man's character as it may have developed under punishment or reformation may be such that he would be glad to give him an opportunity to prove that he will be a good citizen. If, when under parole, he passes the surveillance of the Government, within such limits and areas as the board may see fit to impose, he is not molested. If he shows signs of relapsing into evil ways the law again takes control of him.

I can see nothing startling in it. I can see nothing in it that should shock the most conservative; and I think I am as conservative as is the Senator from Maine. But I do believe that we ought not to write over the doors of our reformatories, "He who enters here leaves all hope behind." Wherever such parole laws have been passed in the different States there is no desire to repeal them.

Mr. HALE. My impression is, although I do not set it against the knowledge of the committee—and the chairman says he can not state the experience under the parole laws—that it will be found that there are not many, or any, so complete nullifications of the results of criminal jurisprudence as are found in this bill. I should doubt whether it is good legislation and good policy to extend to convicts and criminals, because the Senator himself must bear in mind and his committee must bear in mind that the crucible through which the Government passes in order to get convictions is of itself of the severest kind. The presumption of innocence is always in favor of the accused. He is not sent to prison at all until that is overcome. The law's delays are all in favor of the accused, and when you have the final result of such trials as we have in this country under our legislation and in our tribunals, Mr. President, you have a class of criminals sent to prison who should not lightly, upon the say so of minor, irresponsible boards, be taken from prison and let loose on the community. The more I think of it the stronger is my objection to the whole proceeding.

Mr. CLARK of Wyoming. I am glad the Senator has at last finally convinced himself, but my impression is that his argument is directed quite as largely and strongly against the pardoning power as it is against the parole bill. In other words, Mr. President, that after a man has once been condemned by a court, that is an end finally to all his hope of restoration to liberty until the expiration of his sentence.

But the Senator wants to know how this system operates. We have as members of that committee Senators who have been governors of great States, where laws of this sort have been in operation, and there are in the Senate others, not members of the committee, who have been governors of States where such a law is in operation. I can say to the Senator that the members of the Senate who have most interested themselves in this bill are those members who have been governors of great States where they have seen such a law in operation, where they have seen its good working for the State, where they have seen its reformatory power upon the prisoner, where they have seen men go out through the portals of the penitentiary and become good and valuable citizens of the Commonwealth.

I should be glad to have the Senator from Minnesota [Mr. NELSON] and the Senator from Alabama [Mr. JOHNSON] express their opinion upon the pending bill.

Mr. NELSON. Mr. President, there is no such novelty or innovation in this proposition as the Senator from Maine [Mr. HALE] seems to indicate. Great Britain years ago, before we ever adopted such a system, adopted it in its criminal jurisprudence. You are all familiar with what they call a "ticket-of-leave" man. They would send their criminals to distant is-

lands—Van Diemen's Land (Tasmania), and other places in the South Pacific—for a definite time, and then they would give them tickets of leave, put them on their good behavior, and in most instances they turned out to be good, faithful, and industrious citizens. Now, years ago—

Mr. HALE rose.

Mr. NELSON. I wish the Senator would listen to me until I get through with my main statement. Then I will answer him.

Mr. HALE. I will wait until the Senator gets through.

Mr. NELSON. I had occasion when I was governor of Minnesota to study this system. We have the parole system there, and I took special pains to examine its workings and ascertain how it operated. We have there a state prison board, consisting at this time, I think, of seven or nine members. After a convict has been in prison for a year, if his record in prison has been good, his case can be brought before the state prison board. If they see fit, or think it is a worthy case, they can let the prisoner out on parole.

Mr. CLAY. Will the Senator let me ask him a question right here?

Mr. NELSON. Certainly.

Mr. CLAY. Suppose a man has been sent up for life, having been guilty of willful murder—

Mr. NELSON. I was coming to such a case.

Mr. CLAY. Just one minute; and he has served one year. Does the Senator think we could afford to release on parole a prisoner who has served only one year and who had been guilty of the offense of murder, simply because his conduct in prison had been proper?

Mr. NELSON. If the Senator had listened to me until I got through with my explanation, I was about to say that our parole law in Minnesota does not apply to life convicts.

Mr. HALE. Take a case of deliberate forgery or of some crime attended with the greatest violence, not murder. Does not the same reason and the same objection that evidently lie in the mind of the Senator from Georgia apply to a case of that kind?

Mr. NELSON. Not at all. There are two views you can take of this matter. If the conviction of a criminal and the sending of him to prison are solely in the nature of punishment—in the nature of revenge, you may say—to make him sweat for his wrong, then of course there is some force in the argument. But the modern idea of criminal legislation is that we impose punishment upon criminals and convicts for the purpose of reforming them and ultimately making them better citizens. If you adhere to the old system, simply that the conviction of a criminal and the sentencing of him to prison is a mere matter of punishment and nothing else, then the doctrine of the Senator from Maine would apply. But if the object of such legislation and of such punishment is to reform the criminal and ultimately to make him a worthy citizen, so that he can earn his own living and not become a burden to society, then I submit that the parole system is justified.

Instead of going into an argument upon the elementary principles of this subject, I was about to explain briefly how it works in the State of Minnesota. In the state prison they had three classes of convicts—first, second, and third class. When a convict came there he was put into the second class immediately; and if in the course of a year or a greater time his behavior was good and exemplary, he was promoted to the first class—the higher class. Then the state-prison board would take his case and consider it; and if upon the facts of the case they thought it was just and proper to let that man out on parole, they would let him out on parole.

Mr. HALE. No matter what his offense may have been?

Mr. NELSON. It did not apply, as I said, to life convicts. I said aside from murder.

Mr. HALE. Outside of that, no matter how great the offense?

Mr. NELSON. In any case.

Mr. HALE. No matter how destructive his offense may have been to the peace of the community?

Mr. NELSON. In any case except where a man was sent to the penitentiary for life.

Mr. HALE. That is, the question which should decide whether or not the punishment should be continued was not the character of the criminal or the nature of the offense, but the fact that he had behaved himself for a year.

Mr. NELSON. Not at all. That was one of the elements. The board considered the record of the prisoner in the state prison; how he had acted and behaved; and in addition to that, the nature of the offense. The whole record was considered by the board. It was discretionary with the board.

Mr. HALE. They could act upon any offense?

Mr. NELSON. They had the jurisdiction to act upon any offense. The board, after a thorough and complete investi-

gation, if they concluded it was a proper case to admit a man to parole, would grant a parole. The condition of the parole in Minnesota was that the man must enter into some useful employment, where he could earn his living, and he must report every month to the state prison board where he was, what he was doing, and what work he was doing, so that they could know exactly whether or not he was complying with the conditions of his parole. The moment he broke his parole in any shape or manner they would rearrest him and bring him back to prison, and he would be compelled to serve out the whole of his term.

Mr. HALE. What was the practical operation of that?

Mr. NELSON. The practical operation of that was that only in a very few isolated cases—they were so few, indeed, that it was an anomaly—did they ever have occasion to take a convict back.

Mr. HALE. They were practically set loose for life?

Mr. NELSON. They were practically set loose for life; and the result shows that they became good, useful, self-sustaining citizens and not a burden to society.

There was one reason in our State at that time—they have since modified the law—why they did not include life convicts, and that was on account of the Younger brothers, who had made an assault upon and killed a banker. On account of that the legislature for years was loath to include life convicts. They have since included them in the law, so that the board can grant paroles—

Mr. HALE. To persons convicted of capital crime?

Mr. NELSON. Yes; to any prisoner.

Mr. HALE. Parole a murderer?

Mr. NELSON. Parole a murderer.

The parole differs from the pardon system on the commutation of sentence in this: When the pardon power exercises its function it is absolute, it is final. If the President or the governor of a State sees fit to commute a sentence—and they often do—or to grant an absolute pardon, that is the end of it, whether the man pardoned or whose sentence is commuted turns out good or bad. But under the parole system it is entirely different. If a man does not behave, if he does not remain a good citizen, if he does not engage in some useful employment, so as not to be a burden to society, he is sent back to serve out his time; and in that respect I think it works far better than the system of the pardoning power.

We all know—and we need not disguise the fact—that criminals of high social standing, wealthy criminals who have powerful and strong friends, can appeal to the pardoning power. In many instances—and I have noticed it in years past—how easy it is for them to get at all events a commutation and a reduction of sentence. But the poor, ordinary convict, the common criminal, the ordinary thief, if you please, has no friends at court, and nobody can give him a show in that direction, and unless you have a law like this, he is in all cases obliged to serve out his term.

Mr. HALE. I do not think the Senator on reflection will say that because a convict has wealthy friends it is a frequent occurrence that they make themselves so powerful that executive clemency comes in and frees those men.

The instances of that kind, Mr. President, are very rare. It is not true that great criminals are often released by pardon because they have at their control money and means of prosecuting their applications. The number of pardons and the number of commutations of sentences by the Executive in the Federal Government and in the state governments, so far as I know, are very small relatively to the number of convictions. I do not think the Senator wants to go on record as saying that the reason for this paroling generally of criminals is because rich criminals can easily get out. I do not think so.

Mr. NELSON. I think wealthy criminals or criminals who have a high social standing and what you may call "friends at court" have a much greater opportunity. I have noticed in recent years as to a large number or a considerable number of men who have been convicted of wrecking banks in one form or another, and where the court has given them a pretty large sentence, how easy it has been to get a commutation of sentence and a reduction of time.

Mr. HALE. Not many.

Mr. NELSON. Oh, a great many; and to my mind the worst criminal is the man who, holding a position of trust, wrecks a bank. I despise and condemn him more utterly than I do the ordinary thief who picks my pocket, because the latter is not in charge of a trust or a duty as is a bank wrecker.

Mr. HALE. I agree with the Senator, but I do not believe that that man ought to be let out on parole.

Mr. NELSON. It is safer to leave it with a board of this kind than it is with a single individual. The prison board or

whatever board has charge of the matter can consider the record. The man has been, as it were, on trial in prison. He has been there for a given period, and they know something about what is the probability of his becoming a reformed man, what is the likelihood of his turning a new leaf. They are better able to determine it than is the President, in the first instance, when the application is made to him. After they have passed upon the case they say to the man practically, by the parole, "We will let you go out. We will let you try to be an honest man and earn your living, and if you make a success of it you shall not serve out your time. If you fail, if you do not become a good citizen, if you are not faithful and do not earn your own living, then we will take you back to serve the balance of your time."

I have here a letter from a poor convict. I do not know the man. He is a federal convict in a state prison in California.

Mr. CLAY. Will the Senator permit me to ask him a question?

Mr. NELSON. Certainly.

Mr. CLAY. I may say to the Senator that I am not hostile to parole legislation, but here is a question that troubles me about the bill: It provides that after a prisoner has served one year and one day, regardless of the offense that he has committed, he may be paroled. Take a man convicted as a bank wrecker and sentenced to the penitentiary for fifteen years. He has committed a very serious offense against society. Under the provisions of this bill he can serve one year and one day and be paroled. You place him on the same footing that you place the ordinary mail clerk who commits an offense and is sent up for two years. He can be paroled at the expiration of one year and one day, and the bank wrecker can likewise be paroled. Should not the parole be fixed in proportion to the offense committed? In other words, if a man has been sentenced to the penitentiary for fifteen or twenty or twenty-five years, where great moral turpitude is involved, should he not be required to serve more than a year before he is paroled?

Mr. NELSON. In practice, that rule is applied by the board. The board simply have the discretion, after a man has served a year, to act; they are given jurisdiction of the case; but, as a matter of practice—that was my experience with our system—they always took into account the crime a man had committed, its character, and also the term for which he had been sentenced to prison. It was not a rule to parole at the end of a year, but they simply had that power. In the case of an ordinary criminal, sent up for two years or so, they might parole at the end of a year. If prisoners had been sentenced for many years, for long terms, having been guilty of serious crimes, they would not parole them.

Mr. HALE. But the discretion was left with the board?

Mr. NELSON. Certainly.

Mr. HALE. They could do it?

Mr. NELSON. Certainly. They had the power. To illustrate the discrimination which exists between state convicts and federal convicts—and I noticed that particularly in our State, because we had a number of federal convicts sent up from the Indian Territory for stealing horses, etc.—I will read a letter I have this morning received from a poor convict in the state prison in California. This is his letter:

SAN QUENTIN, CAL., December 30, 1908.

Hon. KNUTE NELSON.

DEAR SIR: On December 19, 1908, of the Sixtieth Congress, second session, bill S. 4027 was reported on, with amendments, by the Judiciary Committee.

This bill appertains to the paroling of federal prisoners, and no doubt will be presented during the coming session of the Senate. I am a federal prisoner in the California state prison, and see men paroled every month by the board of prison directors.

The state convicts there, with whom the federal convicts mix, are paroled from day to day, while the federal convicts in that prison are utterly without hope.

Mr. HALE. Mr. President—

Mr. NELSON. Will the Senator allow me to finish the letter?

Mr. HALE. Will the Senator kindly read that sentence again? My attention was diverted.

Mr. NELSON. He says:

I am a federal prisoner in the California state prison, and see men paroled every month by the board of prison directors.

Mr. HALE. I wanted to get at that. It shows it is going on all the time.

Mr. NELSON. That is in the state prison in California.

Mr. HALE. They are being paroled all the time.

Mr. NELSON. From time to time, but it is a limited number when compared with the whole number of convicts.

Do you not think federal prisoners should have equal rights to parole? The fact that one made a false step in no sense indicates

that a career of crime will follow. By the passage of this bill many men will be given an opportunity to start life anew and win the respect of their fellow-citizens. Will you give the merits of the bill your consideration and support?

Respectfully, yours,

RAPHEAL CARUSO, 22539.

Mr. CULLOM. Does the Senator know for what offense he is in prison?

Mr. NELSON. I do not know anything about it. I just got the letter by mail this morning.

Mr. CARTER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Montana?

Mr. NELSON. Certainly.

Mr. CARTER. The letter causes me to ask a question. Does the Senator think the bill should apply to criminals who have been twice convicted for separate felonies, and would it not be applicable thus without amendment?

Mr. NELSON. It has been done under our parole system.

Mr. CARTER. I assume it would be wise to amend the bill so as to make it quite clear that its provisions would not apply to a person convicted more than once.

Mr. CULLOM. In any court?

Mr. CARTER. In any court, federal or state.

Mr. NELSON. This was the rule in our State. I did not go into all the details of it, because I entered into the discussion unexpectedly. If a man were sent to prison for a second or third time—and there were such cases—he did not get any benefit of the parole law. It was applied only to those who were sent there on the first conviction. Then we have in addition to that in our State, which is now a very useful aid in the parole law, a state agent whose business it was in a case where the board was contemplating letting a convict out on parole to find him a place where he could get employment and work and earn wages; and they never would parole a man in our State unless he had a place of employment. He must either find the place himself or get it through this state agent. He must find some man or some company in the State ready to give him permanent employment, and only in those cases could he get a parole.

I want to say to the Senator from Maine that whatever technical objections may be made, yet after all in these matters the best test of this matter is the test we get from practical experience. When I came into the office I was somewhat prejudiced against the system, and yet the more I saw of it and saw of its benefits and how well it worked, the more and more I became convinced that it was a just and proper system. I see my friend here, the former governor of California [Mr. PERKINS], one of my colleagues on this floor; I see before me the Senator from Alabama [Mr. JOHNSTON], who has been governor of that State. I think all Senators who have had occasion to watch and be cognizant of the experience under the parole laws will say that they have worked well and wholesomely, for the good of the State and for the good of the convicts and for the good of society. We are simply inaugurating here in respect to federal business what a large number of the States have already adopted. I do not think that our own great Government of the United States ought to be in the rear in this great column of reform. I think we ought to recognize in our penal legislation and the punishment of criminals some of the modern principles that obtain, and that the great object of punishment is to reform people and make them better citizens.

Mr. BACON. If the Senator will permit me to interrupt him, and if I am correctly informed, there are 34 States which have adopted a law of this character, and among them the State of Maine.

Mr. HALE. No; not of this character.

Mr. CLARK of Wyoming. Mr. President—

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Wyoming?

Mr. NELSON. I yield.

Mr. CLARK of Wyoming. In response to the inquiry of the Senator from Georgia as to the State of Maine, I will state that the State of Maine has a parole law in fact. The governor of the State of Maine can issue a pardon with such conditions as he sees fit, which is absolutely a parole law, but it is surrounded by none of the safeguards which are included in the present measure.

Mr. HALE. That is entirely different.

Mr. CLARK of Wyoming. And that includes every crime except only where the party has been impeached.

Mr. HALE. That is essentially different from a proposition which takes it away from the governor, who has the responsibility and who has hearings upon every case. That is entirely a different thing from setting up a minor board, a transitory board, and allowing it the discretion to relieve the convict from his punishment. It is a thing that in Maine is not going on as

lands—Van Diemen's Land (Tasmania), and other places in the South Pacific—for a definite time, and then they would give them tickets of leave, put them on their good behavior, and in most instances they turned out to be good, faithful, and industrious citizens. Now, years ago—

Mr. HALE rose.

Mr. NELSON. I wish the Senator would listen to me until I get through with my main statement. Then I will answer him.

Mr. HALE. I will wait until the Senator gets through.

Mr. NELSON. I had occasion when I was governor of Minnesota to study this system. We have the parole system there, and I took special pains to examine its workings and ascertain how it operated. We have there a state prison board, consisting at this time, I think, of seven or nine members. After a convict has been in prison for a year, if his record in prison has been good, his case can be brought before the state prison board. If they see fit, or think it is a worthy case, they can let the prisoner out on parole.

Mr. CLAY. Will the Senator let me ask him a question right here?

Mr. NELSON. Certainly.

Mr. CLAY. Suppose a man has been sent up for life, having been guilty of willful murder—

Mr. NELSON. I was coming to such a case.

Mr. CLAY. Just one minute; and he has served one year. Does the Senator think we could afford to release on parole a prisoner who has served only one year and who had been guilty of the offense of murder, simply because his conduct in prison had been proper?

Mr. NELSON. If the Senator had listened to me until I got through with my explanation, I was about to say that our parole law in Minnesota does not apply to life convicts.

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Mr. NELSON. Not at all. There are two views you can take of this matter. If the conviction of a criminal and the sending of him to prison are solely in the nature of punishment—in the nature of revenge, you may say—to make him sweat for his wrong, then of course there is some force in the argument. But the modern idea of criminal legislation is that we impose punishment upon criminals and convicts for the purpose of reforming them and ultimately making them better citizens. If you adhere to the old system, simply that the conviction of a criminal and the sentencing of him to prison is a mere matter of punishment and nothing else, then the doctrine of the Senator from Maine would apply. But if the object of such legislation and of such punishment is to reform the criminal and ultimately to make him a worthy citizen, so that he can earn his own living and not become a burden to society, then I submit that the parole system is justified.

Instead of going into an argument upon the elementary principles of this subject, I was about to explain briefly how it works in the State of Minnesota. In the state prison they had three classes of convicts—first, second, and third class. When a convict came there he was put into the second class immediately; and if in the course of a year or a greater time his behavior was good and exemplary, he was promoted to the first class—the higher class. Then the state-prison board would take his case and consider it; and if upon the facts of the case they thought it was just and proper to let that man out on parole, they would let him out on parole.

Mr. HALE. No matter what his offense may have been?

Mr. NELSON. It did not apply, as I said, to life convicts. I said aside from murder.

Mr. HALE. Outside of that, no matter how great the offense?

Mr. NELSON. In any case.

Mr. HALE. No matter how destructive his offense may have been to the peace of the community?

Mr. NELSON. In any case except where a man was sent to the penitentiary for life.

Mr. HALE. That is, the question which should decide whether or not the punishment should be continued was not the character of the criminal or the nature of the offense, but the fact that he had behaved himself for a year.

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Mr. HALE. What was the practical operation of that?

Mr. NELSON. The practical operation of that was that only in a very few isolated cases—they were so few, indeed, that it was an anomaly—did they ever have occasion to take a convict back.

Mr. HALE. They were practically set loose for life?

Mr. NELSON. They were practically set loose for life; and the result shows that they became good, useful, self-sustaining citizens and not a burden to society.

There was one reason in our State at that time—they have since modified the law—why they did not include life convicts, and that was on account of the Younger brothers, who had made an assault upon and killed a banker. On account of that the legislature for years was loath to include life convicts. They have since included them in the law, so that the board can grant paroles—

Mr. HALE. To persons convicted of capital crime?

Mr. NELSON. Yes; to any prisoner.

Mr. HALE. Parole a murderer?

Mr. NELSON. Parole a murderer.

The parole differs from the pardon system on the commutation of sentence in this: When the pardon power exercises its function it is absolute, it is final. If the President or the governor of a State sees fit to commute a sentence—and they often do—or to grant an absolute pardon, that is the end of it, whether the man pardoned or whose sentence is commuted turns out good or bad. But under the parole system it is entirely different. If a man does not behave, if he does not remain a good citizen, if he does not engage in some useful employment, so as not to be a burden to society, he is sent back to serve out his time; and in that respect I think it works far better than the system of the pardoning power.

We all know—and we need not disguise the fact—that criminals of high social standing, wealthy criminals who have powerful and strong friends, can appeal to the pardoning power. In many instances—and I have noticed it in years past—how easy it is for them to get at all events a commutation and a reduction of sentence. But the poor, ordinary convict, the common criminal, the ordinary thief, if you please, has no friends at court, and nobody can give him a show in that direction, and unless you have a law like this, he is in all cases obliged to serve out his term.

Mr. HALE. I do not think the Senator on reflection will say that because a convict has wealthy friends it is a frequent occurrence that they make themselves so powerful that executive clemency comes in and frees those men.

The instances of that kind, Mr. President, are very rare. It is not true that great criminals are often released by pardon because they have at their control money and means of prosecuting their applications. The number of pardons and the number of commutations of sentences by the Executive in the Federal Government and in the state governments, so far as I know, are very small relatively to the number of convictions. I do not think the Senator wants to go on record as saying that the reason for this paroling generally of criminals is because rich criminals can easily get out. I do not think so.

Mr. NELSON. I think wealthy criminals or criminals who have a high social standing and what you may call "friends at court" have a much greater opportunity. I have noticed in recent years as to a large number or a considerable number of men who have been convicted of wrecking banks in one form or another, and where the court has given them a pretty large sentence, how easy it has been to get a commutation of sentence and a reduction of time.

Mr. HALE. Not many.

Mr. NELSON. Oh, a great many; and to my mind the worst criminal is the man who, holding a position of trust, wrecks a bank. I despise and condemn him more utterly than I do the ordinary thief who picks my pocket, because the latter is not in charge of a trust or a duty as is a bank wrecker.

Mr. HALE. I agree with the Senator, but I do not believe that that man ought to be let out on parole.

Mr. NELSON. It is safer to leave it with a board of this kind than it is with a single individual. The prison board or

As to the transaction in question, I was personally cognizant of and responsible for its every detail. For the information of the Senate I transmit a copy of a letter sent by me to the Attorney-General on November 4, 1907, as follows:

THE WHITE HOUSE,
Washington, November 4, 1907.

MY DEAR MR. ATTORNEY-GENERAL: Judge E. H. Gary and Mr. H. C. Frick, on behalf of the Steel Corporation, have just called upon me. They state that there is a certain business firm (the name of which I have not been told, but which is of real importance in New York business circles) which will undoubtedly fail this week if help is not given. Among its assets are a majority of the securities of the Tennessee Coal Company. Application has been urgently made to the Steel Corporation to purchase this stock as the only means of avoiding a failure. Judge Gary and Mr. Frick inform me that as a mere business transaction they do not care to purchase the stock; that under ordinary circumstances they would not consider purchasing the stock, because but little benefit will come to the Steel Corporation from the purchase; that they are aware that the purchase will be used as a handle for attack upon them on the ground that they are striving to secure a monopoly of the business and prevent competition—not that this would represent what could honestly be said, but what might recklessly and untruthfully be said. They further inform me that as a matter of fact the policy of the company has been to decline to acquire more than 60 per cent of the steel properties, and that this purpose has been persevered in for several years past with the object of preventing these accusations, and as a matter of fact their proportion of steel properties has slightly decreased, so that it is below this 60 per cent, and the acquisition of the property in question will not raise it above 60 per cent. But they feel that it is immensely to their interest, as to the interest of every responsible business man, to try to prevent a panic and general industrial smash up at this time, and that they are willing to go into this transaction, which they would not otherwise go into, because it seems the opinion of those best fitted to express judgment in New York that it will be an important factor in preventing a break that might be ruinous; and that this has been urged upon them by the combination of the most responsible bankers in New York who are now thus engaged in endeavoring to save the situation. But they asserted they did not wish to do this if I stated that it ought not to be done. I answered that while of course I could not advise them to take the action proposed, I felt it no public duty of mine to interpose any objection.

Sincerely, yours,

THEODORE ROOSEVELT.

Hon. CHARLES J. BONAPARTE,
Attorney-General.

After sending this letter I was advised orally by the Attorney-General that, in his opinion, no sufficient ground existed for legal proceedings against the Steel Corporation, and that the situation had been in no way changed by its acquisition of the Tennessee Coal and Iron Company.

I have thus given to the Senate all the information in the possession of the executive department which appears to me to be material or relevant, on the subject of the resolution. I feel bound, however, to add that I have instructed the Attorney-General not to respond to that portion of the resolution which calls for a statement of his reasons for nonaction. I have done so because I do not conceive it to be within the authority of the Senate to give directions of this character to the head of an executive department, or to demand from him reasons for his action. Heads of the executive departments are subject to the Constitution, and to the laws passed by the Congress in pursuance of the Constitution, and to the directions of the President of the United States, but to no other direction whatever.

THEODORE ROOSEVELT.

THE WHITE HOUSE, January 6, 1909.

SALARIES IN THE EXECUTIVE DEPARTMENTS.

The VICE-PRESIDENT laid before the Senate the following message from the President of the United States (S. Doc. No. 638), which was read and, with the accompanying paper, referred to the Committee on Civil Service and Retrenchment and ordered to be printed:

To the Senate and House of Representatives:

I transmit herewith for the consideration of the Congress a revised statement, prepared by the Committee on Grades and Salaries under the executive order of June 11, 1907, for the reclassification and readjustment of salaries in the executive departments, and estimates of appropriations based thereon.

The reclassification of employees should be authorized now, even if the additional appropriations suggested can not now be made. The existing classification does not meet the needs of the service. The basis of the reclassification is character of work rather than amount of salary; it would avoid the need of special positions and result in much higher efficiency.

THEODORE ROOSEVELT.

THE WHITE HOUSE, January 6, 1909.

POSTAL SAVINGS BANKS.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 6484) to establish postal savings banks for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes, which had been reported from the Committee on Post-Offices and Post-Roads with amendments.

Mr. CARTER. I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendment.

The VICE-PRESIDENT. The Senator from Montana asks unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered. The Chair hears no objection and the Secretary will proceed with the reading of the bill.

Mr. RAYNER. I wish to ask the Senator from Montana if he will agree to let the bill go over until next week. I do not object to the reading of it; I do not care about that, but several of us desire to make some remarks on the bill.

Mr. CARTER. I do not expect a vote to-day on the bill. I presume it will go over, necessarily, until next week.

The VICE-PRESIDENT. The Secretary will proceed to read the bill.

The Secretary proceeded to read the bill.

The first amendment of the Committee on Post-Offices and Post-Roads was, in section 1, page 1, line 4, to strike out the word "banks" and insert the word "depositories," so as to make the section read:

That there be, and is hereby, established a system of postal savings depositories, to be under the direction and supervision of the Postmaster-General, in conformity with the provisions of this act.

The amendment was agreed to.

The next amendment was, in section 2, page 1, line 11, to strike out the word "bank" and insert the word "depository," so as to read:

That each and every post-office within the United States which is authorized to issue money orders, and such others as the Postmaster-General in his discretion may from time to time designate, are hereby declared to be postal savings depository offices to receive deposits from the public and to account for and dispose of the same according to this act.

The amendment was agreed to.

Mr. BURKETT. I should like to ask the Senator from Montana a question in reference to this section. Does he prefer to go through the committee amendments first? I should like to ask the Senator why it is that in this section he provides for post-office savings depositories being established in money-order offices, and then later on he provides that the Postmaster-General may establish not only such offices but depositories at offices of the first, second, and third classes. Why would it not be better to be put in the first, second, and third classes in the first place and be through with it?

Mr. CARTER. The peculiar provision referred to at the close of the section has regard to the task of installing the system. In the nature of things, it will be quite impossible simultaneously to install the system in all parts of the country and in all the post-offices. Therefore the Postmaster-General is given by the bill opportunity for the gradual installation in such manner as will not demoralize or injuriously affect the postal service.

Mr. BAILEY. I wish to inquire what is the status of the bill.

The VICE-PRESIDENT. It is before the Senate. The formal reading of the bill was dispensed with by unanimous consent, and the bill is being read for amendment, the committee amendments to be first considered.

Mr. BAILEY. Then a parliamentary inquiry, Mr. President. As I understand it, the bill, of course, after the committee amendments or other amendments are disposed of, would still be open for debate in the Senate?

The VICE-PRESIDENT. That is correct. It will also be open for amendment in the Senate.

Mr. BAILEY. I have no interest myself in the amendments. I have some interest in the general debate. I did not want to lose the opportunity of having a word to say against it. Of course I am perfectly willing, indeed, I would prefer, that the proponent of the measure should perfect it so far as such a measure can be perfected before we come to debate it.

Mr. BURKETT. I desire to ask the view of the Senator from Montana further with reference to the part of the bill just read. In the bill, which I introduced some time ago, I provided that these depositories should be established only in the first three classes.

Now, if I understand the Senator's bill correctly, they can be established in any post-office as soon as the Postmaster-General desires to establish them. That is the situation, if I get the idea of the bill correctly.

Mr. CARTER. The bill provides that all the money-order offices and such other offices as the Postmaster-General may designate shall be postal depositories. The requirement is that the money-order offices shall be provided with postal depository machinery as rapidly as the Postmaster-General can install the same without injury to the service. I hope that answers the question of the Senator from Nebraska.

Mr. BURKETT. Yes; it does. The only object I had in asking the question was that it seems to me probable that this ought to be confined to the first three grades; for, if I understand the organization of the Post-Office Department correctly, the fourth-class postmasters are not under salary. They are not paid a regular salary. They provide their own rooms and their own equipment. It occurred to me that very possibly we

ought to confine this at least to the first three grades and such others as the Postmaster-General may deem necessary.

There may be localities where a smaller place than one having a fourth-class post-office would need a savings bank. But it occurred to me, in framing the bill which I drew, that we ought to confine it to post-offices of the first three grades, because there the postmasters' salaries are paid; their buildings are supplied by the Government, and their equipment is more or less supplied by the Government. I therefore made the inquiry of the Senator if it would not be better to confine them to the three grades and such others as the Postmaster-General might determine, than to make them unlimited.

Mr. CARTER. The Senator from Nebraska will observe that the proviso near the close of section 2 reads:

That the Postmaster-General may, if he deems it necessary or more practical, establish at first postal savings depositories only at the money-order offices of the first, second, and third classes, and thereafter extend the system as rapidly as practicable to all other post-offices named above.

This will include, of course, ultimately a considerable number of fourth-class post-offices. While it is true that such postmasters are not now on the salary list, but are on commission, the bill makes provision for a commission to be paid to the fourth-class postmasters for the transaction of this postal-savings business.

The reading of the bill was resumed.

The next amendment of the Committee on Post-Offices and Post-Roads was, in section 2, page 1, line 11, after the word "savings," to strike out "bank" and insert "depository;" on page 2, line 1, after the word "savings," to strike out "bank" and insert "depository;" in line 4, after the word "such," to strike out "bank" and insert "depository;" and in line 8, after the word "savings," to strike out "banks" and insert "depositories," so as to make the section read:

SEC. 2. That each and every post-office within the United States which is authorized to issue money orders, and such others as the Postmaster-General in his discretion may from time to time designate, are hereby declared to be postal savings depository offices to receive deposits from the public and to account for and dispose of the same according to this act. Every postal savings depository office shall be kept open for the transaction of business every day (Sundays and legal holidays excepted) during the usual post-office business hours of the town or locality where such depository is located, and between such additional specific hours as the Postmaster-General may direct: *Provided*, That the Postmaster-General may, if he deems it necessary or more practical, establish at first postal savings depositories only at the money-order offices of the first, second, and third classes, and thereafter extend the system as rapidly as practicable to all other post-offices named above.

The amendment was agreed to.

The next amendment was, in section 3, page 2, line 14, after the word "savings," to strike out the word "bank" and insert "depository," so as to read:

SEC. 3. That accounts may be opened and deposits made in any postal savings depository established under this act by any person of the age of 10 years or over in his or her own name, by a married woman in her own name and free from any control or interference by her husband, by a trustee as such on behalf of another person, by a parent, guardian, or other person for the benefit of a child under 10 years of age.

The amendment was agreed to.

Mr. CARTER. I move, in section 3, page 2, line 16, after the word "name," to insert the word "and."

The VICE-PRESIDENT. The amendment proposed by the Senator from Montana will be stated.

The SECRETARY. In section 3, page 2, line 16, after the word "name," where it first appears, it is proposed to insert the word "and," so as to read:

SEC. 3. That accounts may be opened and deposits made in any postal savings depository established under this act by any person of the age of 10 years or over in his or her own name and by a married woman in her own name and free from any control or interference by her husband.

The amendment was agreed to.

Mr. CARTER. I move as an amendment to the same section what I send to the desk.

The VICE-PRESIDENT. The amendment proposed by the Senator from Montana will be stated.

The SECRETARY. It is proposed to amend, in section 3, page 2, line 17, by striking out all after the word "husband" and in lieu thereof to insert a semicolon and the words "but no person shall simultaneously have more than one postal savings account."

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Post-Offices and Post-Roads was, in section 4, page 3, line 1, after the word "savings," to strike out "bank" and insert "depository," so as to make the section read:

SEC. 4. The postmaster at a postal savings depository shall, upon the making of an application to open an account under this act and the submission of an initial deposit, deliver to the depositor a pass book upon

which shall be written the name and signature or mark of the depositor and such other memoranda as may be necessary for purposes of identification, in which pass book entries of all deposits shall be made.

The amendment was agreed to.

Mr. CARTER. I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment proposed by the Senator from Montana will be stated.

The SECRETARY. It is proposed to strike out section 5, as follows:

SEC. 5. That at least \$1, or a larger amount in multiples of 10 cents, must be deposited before an account is opened with the person depositing the same, but 10 cents, or multiples thereof, may be deposited after such account has been opened, but no one shall be permitted to deposit more than \$200 in any one calendar month.

And in lieu thereof to insert:

SEC. 5. That at least \$1, or a larger amount in multiples of 50 cents, must be deposited before an account is opened with a person depositing the same, but 50 cents, or multiples thereof, may be deposited after such account has been opened, but no one shall be permitted to deposit more than \$100 in any one calendar month: *Provided*, That in order that smaller amounts may be accumulated for deposit any person may purchase from any depository office for 1 cent a postal savings card, to which may be attached specially prepared adhesive stamps, to be known as "postal savings stamps," and when the stamps so attached amount to \$1 or a larger sum in multiples of 50 cents, including the 1-cent postal savings card, the same may be presented as a deposit for opening an account, and additions may be made to any account by means of such card and stamps in amounts of 50 cents, or multiples thereof, and when a card and stamps thereto attached are redeemed by any postmaster he shall immediately cancel the same. It is hereby made the duty of the Postmaster-General to prepare such postal savings cards and postal savings stamps of denominations of 1 cent, 5 cents, and 10 cents, and to keep them on sale at every postal savings depository office, and to prescribe all necessary rules and regulations for the issue, sale, and cancellation thereof.

The amendment was agreed to.

The Secretary resumed and continued the reading of the bill to the end of section 7, line 24, page 4.

Mr. CARTER. In section 7, I move to insert a period after the word "thereof," in line 14, and then to insert the matter which I send to the desk.

The VICE-PRESIDENT. The amendment proposed by the Senator from Montana will be stated.

The SECRETARY. In section 7, page 4, line 14, after the word "thereof," it is proposed to strike out the comma and to insert a period and the following words:

Interest shall not be computed or allowed until the first day of the half year next following the day of such deposit and shall cease on the first day of the half year in which such deposit is withdrawn. Half years shall begin January 1 and July 1, and the computation of interest shall be based on the average balance during the half year: *Provided*, That the balance to the credit of any one person shall never be allowed to exceed \$500, exclusive of accumulated interest.

Mr. BURKETT. Mr. President, I do not want to see that amendment adopted, or a part of it at least, by unanimous consent. If I understand the amendment correctly, it provides that deposits shall not begin to draw interest until the beginning of the next half year after they are made, and that they shall cease to draw interest at the beginning of the half year in which they are withdrawn; in short, a depositor might put his money in and not begin to draw interest for five months and all the succeeding days but one of the six months. He might draw his money out and lose his interest for the five months back. It occurs to me that, instead of lengthening that time—the bill as the committee has reported it provides for quarters—we ought at least to draw it down to months. I do not think we ought to let a depositor wait for six months before he begins to draw his interest. I certainly would not want that portion of the amendment adopted. I could not quite catch the importance or the meaning of the rest of the amendment, and I want to understand the object of it; but it seems to me that a depositor ought to draw interest from the beginning of the next month after the deposit is made, and cease to draw interest at the beginning of the month in which it is drawn out.

Mr. CARTER. Mr. President, the determination of the period of time within which interest balances shall be ascertained led to considerable discussion. It was finally determined that we could, without overburdening the department with clerical work, fix the period of one quarter as the basis for interest computation. But the department, upon more mature reflection, concluded that even this would involve almost prohibitive bookkeeping and details.

It must be borne in mind that the primary purpose of this legislation is to enable people to save small sums. We desire to furnish accommodations to that class of persons who are now penalized for safety's sake by being compelled to buy postal money orders at the rate of \$3 per thousand in order that they may have their money where they consider it safe.

Interest will not be the main objective point of those patronizing the postal savings banks. If interest is the objective point, much better investments can be found and more remun-

nerative rates of interest can be secured in many directions than in the proposed postal depositories. If we should undertake to compute the interest on each account monthly, the whole fabric here proposed would break down under a mass of details. The accounts will be small, the depositors numerous, and, in consequence, the clerical work would be very great if we undertook to compute interest monthly or quarterly as the bill now proposes.

The amendment gives to the depositor interest on his average balance for the period of six months, and in that it is a fair and just method of computation. We can not give interest on daily balances, nor can we give interest on monthly balances, because of the clerical difficulties to which I have referred.

The amendment which I have sent to the Secretary's desk was prepared by the Postmaster-General, who, after consulting extensively with his enlightened corps of assistants, determined that the bill as it is now framed, providing for the quarterly balancing of interest, would not be workable save at great expense. Hence, we report the amendment providing for a half-year interest period.

Mr. McCUMBER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from North Dakota?

Mr. CARTER. Yes, sir.

Mr. McCUMBER. Do I understand, as the bill now reads with the proposed amendment, that interest will be allowed for the first six months upon the average balance for those six months?

Mr. CARTER. That is what the amendment proposes.

Mr. McCUMBER. The original bill provided for the payment of interest on the average balance for three months instead of six.

Mr. CARTER. Yes.

Mr. McCUMBER. I should like to ask the Senator now, Why is it proposed to amend this bill so as to provide, not for a 10-cent deposit, but for a 50-cent deposit, and also provide for stamps to be issued which might be deposited after the collection amounted to at least 50 cents? Why would it not be just as well to dispense entirely with a deposit of anything less than \$1, so that all computations would be made on the dollar basis, instead of upon the half-dollar basis? That would do away with considerable of the clerical work; would be easy of computation by tables for interest and compound interest, and it seems to me that we would gain just as much, because we already have the provision for the purchase of stamps whenever any person wishes to get 10 cents' worth or even 1 penny's worth until the amount reaches the half-dollar limit.

Mr. CARTER. Mr. President, the 10-cent deposit limit was raised for the purpose disclosed in the statement of the Senator from North Dakota [Mr. McCUMBER] in order to avoid the bookkeeping connected with the receipt of these very small sums. After the bill was framed I took occasion to inquire extensively as to the amount of deposits received in other countries, and found that the franc, or about 20 cents, was the average of deposits received at the postal savings banks; that is, the minimum. Generally speaking, a larger sum is required by other countries for the opening of an account. In fixing the minimum deposit in this bill at 50 cents we will thus fix a minimum that is quite as much or more than the minimum provided by the laws of Canada, England, France, and Italy.

Mr. McCUMBER. I could see, Mr. President, why the minimum might be larger, in view of the fact that the Senator's own amendment has taken another method to meet that question; that is, by allowing in reality deposits from 1 cent up to \$1 in the shape of stamps. The Senator must bear in mind that the wages paid to laborers here are from two to three and even four times what they are in France; and that the amounts that are used daily in the little purchases are from three to ten times as much. So I do not conceive that it would be any hardship whatever, especially as they can receive the stamps up to \$1, to receive no interest-drawing deposits less than \$1.

Mr. HOPKINS. Mr. President—

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Illinois?

Mr. CARTER. Yes.

Mr. HOPKINS. I should like to ask the Senator in charge of the bill while he is on the floor to explain why it is, if the Government is to pay interest on postal savings deposits, that the amount on which it can be paid is limited to \$500 instead of \$1,000?

Mr. CARTER. Mr. President, the opposition to this bill throughout the country springs generally from the banking fraternity. It has been charged everywhere that the bill would become a refuge for debt dodgers; that the bank balances or deposits would be very largely impaired. In nearly every in-

stance where such objection is urged the parties have said that if the maximum sum which would be received at the post-office were reduced, the main, the cardinal, the real objection to the bill would disappear. Yielding somewhat to that sentiment, and upon the urgent request of the Postmaster-General, the amendment reducing the maximum deposit from \$1,000 to \$500 was proposed and adopted.

Mr. du PONT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Delaware?

Mr. CARTER. I do.

Mr. du PONT. I should like to ask the Senator in charge of the bill a question in regard to this section as amended. When does the interest begin? Assuming that the postal savings bank bill were a law, if a man deposited money in a postal savings depository to-day his interest, as I understand, would not begin until the 1st of next July. Am I correct in that?

Mr. CARTER. That is the correct understanding.

Mr. du PONT. It seems to me that is a long time to wait, and I was hoping that it could be arranged on a quarterly basis, but the previous remark of the Senator from Montana furnishes an answer as to that.

Mr. CARTER. The belief of the Postmaster-General and those with whom he has conferred on the subject is that the half-yearly basis of computation—

Mr. du PONT. I see the difficulty from the clerical standpoint—

Mr. CARTER. Was necessary in order to avoid multiplicity of accounts and statements.

Mr. HOPKINS. Mr. President, I take it from what the Senator says that the enactment of this bill into a law is not so much for the purpose of giving interest to depositors—for the savings banks in the States are open for that purpose—but to draw from hiding money that never finds a place in any of the banks.

Mr. CARTER. The Senator from Illinois states the understanding I have with reference to the main object of this legislation. It can be summed up in two words. We want to extend to the struggling wage-earners and people in every locality in this country an opportunity to deposit their savings, coupled with perfect safety. We are not seeking to enter the commercial field in competition with banks.

Mr. BURKETT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Nebraska?

Mr. CARTER. With pleasure.

Mr. BURKETT. I do not wish to interrupt the Senator in the midst of what he is saying, but it occurs to me that this is a pretty serious matter. The Senator is quite right in saying that the opposition to this measure comes from the banking fraternity. Attempts have been made to defeat this legislation, but now that it seems it can not be defeated, they have undertaken to make the interest rate 1 per cent. I have had communications from bankers urging if this bill must pass that we cut the interest rate down to 1 per cent; that we delay the time of beginning to pay interest; and all that sort of thing. It seems to me the Congress is liable to do something here that may make the Government appear niggardly and the Congress ridiculous.

Suppose we reduce the interest rate to 1 per cent. No country on the face of the earth pays less than about 2½ per cent. How ridiculous Congress would be in responding to that demand. On the other hand, if we put off the day of beginning to pay interest for six months, that would be ridiculous. If we are going to have a savings-bank system, we can not afford to go before the people and say that because the computation of interest is going to involve some work on the part of the department, we will not begin to pay interest for six months after a deposit is made.

The Senator has confused, in his remarks at least, the time when interest shall be computed and the period during which interest should be paid. I do not know of anybody who expects that interest is going to be computed monthly. It can be computed annually; but we ought to begin to pay interest within less than six months after we take the people's money, if we are going to pay interest at all, and we ought not to refuse to pay interest for six months back when a man withdraws his deposit. Should we do so, we would make this ridiculous, it seems to me. If the Postmaster-General has got it through his head that this is going to make so much work, he should have thought of that, in my opinion, before he started and launched the matter.

If we are going to enact a postal savings-bank law, let us not do these little things that will make the Government appear both niggardly and ridiculous. I do not think we ought to put

a provision in here cutting off interest until six months after the deposit is made and six months before it is withdrawn.

I have not been able to catch, perhaps, the full import of the amendment, and as the Senator does not expect to have the bill passed to-day and the amendment has not been printed, would he object to letting the amendment lie on the table until the bill is taken up the next time? Then the amendment can be printed, and we can all have an opportunity to see it.

Mr. CARTER. Mr. President, it is my desire to have the bill reprinted with the amendments offered to-day and adopted.

Mr. BURKETT. Could not the Senator have it reprinted with this amendment appearing at the proper place in the text and marked as pending?

Mr. CARTER. As pending?

Mr. BURKETT. Yes.

Mr. CARTER. That would be acceptable.

Mr. BURKETT. I do not want the amendment acted upon now.

Mr. CLAY. With the permission of the Senator from Montana, I want to call his attention to page 6. I believe I called attention to this feature in the committee.

The VICE-PRESIDENT. The Chair would suggest that, as he understands it, the Senator from Montana moves to strike out all after the word "thereof," in line 14, down to the end of section 7, and to insert the matter contained in the proposed amendment.

Mr. CARTER. That is the motion of the Senator from Montana.

The VICE-PRESIDENT. That amendment will be regarded as pending.

Mr. CLAY. I desire to call the attention of the Senator from Montana to page 6 of the measure. The Senator will remember that I thought these words ought to go out of the bill when we originally considered it. I have not changed my mind about it.

The words I have reference to are as follows:

After their receipt from depositors they shall be exempt from demand, garnishment, execution, attachment, seizure, or detention under any legal process against the depositor thereof. Such funds shall not be subject to taxation by the United States or any State.

I suggest to the Senator that if a citizen deposits his money with the Government in a State, I doubt whether we have the authority to exempt it from state taxation; and if we do have the authority to do it, I doubt whether we ought to do it.

I come again to the question of debts. Take a citizen who deposits two hundred or three hundred or five hundred dollars of money with the Government. It strikes me that that money ought to be subject to his debts just like the other funds of an individual. And I will say to the Senator that when section 10 is reached I shall propose to strike out those words, and I hope in it to have the support of the Senator from Montana.

Mr. CARTER. I can not promise to support the proposition of the Senator, but I shall address the Senate briefly on the subject when the matter comes up.

Mr. FULTON. Mr. President—

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Oregon?

Mr. CLAY. With pleasure.

Mr. FULTON. I should like to ask the Senator whether he thinks that by merely striking out that provision, which furnishes a proposal to exempt from garnishment these deposits, he would leave them so that they would be subject to such process?

Mr. CLAY. I hardly think so. I think there would have to be further provision made. I doubt whether one could garnish or attach funds in the hands of the Government without an express provision.

Mr. FULTON. I think in order to subject money in the hands of the Government to garnishment or attachment there would have to be some direct provision authorizing it. But I call the Senator's attention, if he will permit me—

Mr. CLAY. Certainly.

Mr. FULTON. To this point. One hundred dollars a month may be deposited as a maximum, as I understand, under the bill. Now, is there anything illogical in exempting that from garnishment and attachment, in view of the fact that postmasters' salaries—I guess they will average more than a hundred dollars a month, or that amount, anyway, in money-order offices—are not subject to attachment? Why should we render these deposits subject to attachment?

Mr. CLAY. The Senator will remember that all of the States, so far as I have been able to investigate, have provided exemption laws allowing citizens a certain amount of property—in some States \$500 and in others as high as \$1,600—and the funds so set apart are not subject to debt.

Now, it is a right serious problem for Congress to undertake to say what property of a citizen in a State shall not be subject to taxation or debt. Each State ought to provide a system of exemption, and each State has done so, and Congress ought not to undertake to say what property shall not be subject to the debts of the citizen or what property shall not be subject to taxation in a State.

Mr. FULTON. I submit to the Senator that that is purely a question of public policy. We are seeking by this bill to bring out of hiding a certain amount of money that we know is in existence but not in commercial channels, not available for commercial use. It is a small amount in the possession of each individual hidden away in some place under his control. At the present time it does not enter into commerce. It is not subject to taxation, because it is not reached. I do not suppose a dollar of the money that will be brought into sight by this bill to-day pays a cent of taxes in any State of the Union.

Mr. CLAY. I doubt that statement, I will say to the Senator. Mr. FULTON. Let me say to the Senator I think there is probably no character of property which pays so slight a proportion of the burden of taxation as actual money. I think that is the experience of man. It is so easy to hide money, so easy to keep it out of sight, so easy to evade taxation of it that that is the result.

We are appealing by this bill to a vast army of holders of small amounts of money, who are keeping it out of commercial channels, and we are inviting them to deposit it with the Government. I do not see why there is anything illogical in exempting it from taxation. Every State, as the Senator says, does by law provide that certain property shall be exempt from taxation. A certain amount of household property, certain wages earned but not yet paid, are exempt from garnishment; and it is not unreasonable, to my mind, if we enter upon this scheme to invite the small depositors to bring their money out where it can be used, to offer an inducement that it shall not be subject to taxation.

Mr. HOPKINS. I desire to suggest to the Senator that under existing law, if there were nothing whatever in the bill relating to garnishment, the Government could not be garnished.

Mr. FULTON. Certainly. The Senator from Georgia concedes that.

Mr. HOPKINS. That has been the policy of the Government from time immemorial.

Mr. FULTON. To exempt from garnishment.

Mr. HOPKINS. So there is no new policy adopted in this bill.

Mr. FULTON. No State or municipality or division of any State, as, of course, we all know, can be subject to garnishment unless there be some positive provision of law therefor.

The VICE-PRESIDENT. The Secretary will resume the reading of the bill.

Mr. McCUMBER. Before we pass from the subject which has been discussed, I want to understand better the amendment which has been proposed by the Senator from Montana. I understood him to say, in answer to my question, that interest would be computed upon the average balance during the preceding six months; the computation would not be made until the expiration of six months, but when that computation was made, it would be upon the average deposit during those six months. Subsequent inquiries seem to indicate that no interest whatever is to be computed upon the first six months' deposit. Now, is that a correct understanding?

Mr. CARTER. Interest is really computed annually. In order to ascertain the amount of interest due to an individual, however, we divide the year into two parts, the first part extending from the 1st of January to the 1st of July, and then from July to January again. When a deposit is made, if this amendment should be adopted, there will be no computation of interest for a fraction of six months—for that fraction of the six months remaining between the date of the deposit and the beginning of the next half year.

Mr. McCUMBER. I understand there will be no computation for a fraction of six months; but what I want to understand is whether or not, if a man has on deposit an average, say, of a hundred dollars for the first six months, at the end of those six months, the beginning of the next half, he will be given what is equivalent to 1 per cent upon that average balance of \$100 during those six months, or whether no computation will be made and no interest will begin until the expiration of the six months.

Mr. CARTER. No credit is made for interest except annually. This amendment must be taken, of course, in connection with that which precedes it:

SEC. 7. That interest at the rate of 2 per cent per annum shall be computed, allowed, and entered in the pass book to the credit of

each depositor once in each year, and shall be added to and become a part of the principal; but such interest shall not be computed or allowed on any amount less than \$1 or some multiple thereof. Interest shall not be computed or allowed until the first day of the half year next following the day of such deposit and shall cease on the first day of the half year in which such deposit is withdrawn. Half years shall begin January 1 and July 1, and the computation of interest shall be based on the average balance during the half year.

Mr. McCUMBER. If I understand that correctly, it means for six months there will be no interest whatever, no matter what the deposit is during the first six months. Why is that?

Mr. CARTER. If the depositor withdraws his money before the expiration of the year, he does not receive interest.

Mr. McCUMBER. But that is not what it means, if I understand the reading correctly. It means that whether he withdraws it before the expiration of a year or not no interest will be computed or allowed—because the word is "allowed"—upon the deposit that preceded the second part of the year.

Mr. CARTER. Most assuredly the balance would be increased by subsequent deposits, and interest would be paid on the total deposits, including that which accumulated during the previous six months.

Mr. McCUMBER. For how long a time?

Mr. CARTER. For that year.

Mr. McCUMBER. The way the amendment reads it would not be allowed upon the first half year's deposits.

Mr. CARTER. Not if the deposit had been drawn out.

Mr. McCUMBER. No, even if it had not been drawn out. It would not be allowed upon the first half year's deposit. Will the Senator please read that portion?

Mr. CARTER. Certainly.

Interest shall not be computed or allowed until the first day of the half year next following the day of such deposit—

Mr. McCUMBER. That means if he commences to deposit in January and continues a deposit which amounts on the average to a hundred dollars for the first six months that interest will not be allowed upon the hundred dollars until the beginning of the next six months. It will not be allowed from the beginning, but will commence to be computed at the end of the first six months.

Mr. CARTER. The Senator is referring again, as I understand, to the question of allowing interest for a fraction of the six months which will intervene between the date of the opening of the account and the arrival of the first day of the next half year. We do not allow interest on the fraction of six months.

Mr. BURKETT. Then, let me ask the Senator a question right here. Suppose a man deposits a hundred dollars on the 2d day of January and draws it out on the 30th day of December; how much interest would he get under your amendment?

Mr. CARTER. He would get interest for six months.

Mr. BURKETT. If it does not begin to draw interest until the first day of the next six months and ceases to draw interest on the first day of the six months in which it is withdrawn, I do not see how he would get any interest.

Mr. HOPKINS. In order to get at the proper interpretation of the amendment, I would ask the Senator in charge of the bill to suppose a depositor deposits a hundred dollars on the 1st day of May. As I understand, he does not draw interest until the first day of July. Suppose the deposit is taken out on the 1st day of December. Does he get any interest at all?

Mr. CARTER. There would be no interest on that deposit.

Mr. BURKETT. What is the difference between that man and mine? He puts his in on the 2d day of January and draws it out on the 30th of December. How would he get any interest?

Mr. CARTER. If he deposits his money the 2d day of January and draws it out prior to the arrival of the 1st of the following January, he would get no interest.

Mr. KEAN. I think the Senator will have to change that statement, because the 1st of January is a holiday generally, and I think they would recognize the 2d of January as the first day of the year, and he would get six months' interest.

Mr. CARTER. Under that construction he might be entitled to interest.

The VICE-PRESIDENT. The reading of the bill will be resumed.

The reading of the bill was resumed. The next amendment of the Committee on Post-Offices and Post-Roads was, in section 8, line 3, page 5, to strike out "bank" and insert "depositor."

The amendment was agreed to.

Mr. du PONT. Mr. President, it seems to me the effect of this bill will be to prevent depositors from withdrawing their money when they are absent from the place of deposit, a priv-

ilege which is one of the chief advantages of the postal savings-bank system in other countries. Under this bill a depositor away from home would have to return home in order to draw his money at the post-office. The system which obtains in England and France is an immense advantage to all those people who are not permanently domiciled or who are earning their livelihood temporarily away from their homes; for instance, seafaring men, people working for contractors. It applies to a very large class of people who are temporarily domiciled at different points. The system has worked very successfully in England and in France, and there is no reason why it can not be applied here.

Again, by special postal convention between France and Belgium, this state of things exists: A Frenchman who has deposited funds in a French postal saving bank can go to Belgium and withdraw his funds from any postal savings bank in Belgium, and vice versa.

So I think this section should be amended, and I shall propose the amendment which I send to the desk, which I ask may be printed with the bill, to be voted on at the proper time.

The VICE-PRESIDENT. The Senator from Delaware proposes an amendment, which will be stated.

The SECRETARY. On page 5, section 9, line 13, after the word "interest," insert the words:

Either at the postal savings depository where the funds were deposited or at any other such depository.

The VICE-PRESIDENT. The proposed amendment will be included in the reprint of the bill and be regarded as pending. The reading of the bill was resumed.

The next amendment of the Committee on Post-Offices and Post-Roads was, in section 9, page 6, line 2, after the word "savings," to strike out "bank" and insert "depository," so as to read:

The postal savings-depository system.

Mr. CARTER. I move to amend the section by striking out all after the word "prescribe," in line 22, page 5, and inserting in lieu thereof:

No national bank or other bank in which postal-savings funds shall be deposited shall receive any exchange or any other fees or compensation on account of the cashing or collection of any checks or the performance of any other service in connection with the postal-savings depository system.

Mr. DOLLIVER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Iowa?

Mr. CARTER. Certainly.

Mr. DOLLIVER. Is it the purpose of the Senator from Montana to make provision by amendment for the distribution of these postal deposits in other banks than national banks?

Mr. CARTER. An amendment has been prepared with that object in view. While I am not authorized by the committee to accept the amendment, I can see no objection to it and shall not resist it when offered.

Mr. DOLLIVER. I will say to the Senator that one of the largest sources of criticism of the bill in the West appears to be that it might operate as discrimination against banks outside the national banking system, and if an amendment enlarging the list of banks or institutions in which the deposits are made, properly secured, should be inserted in the bill, it would relieve it of much of the criticism that has arisen in some sections of the country.

Mr. SMITH of Michigan. Mr. President—

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Michigan?

Mr. CARTER. I yield.

Mr. SMITH of Michigan. I was going to say, for the benefit of the Senator from Iowa that I have prepared an amendment to section 11 along the line that the Senator suggests, and when that section of the bill is reached I hope to have his attention and his support for the amendment.

Mr. KEAN. Let me ask the Senator from Montana a question.

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from New Jersey?

Mr. CARTER. Certainly.

Mr. KEAN. Are postal funds at present deposited in other than national banks?

Mr. CARTER. Postal funds are not deposited in other than regular national-bank depositories.

Mr. KEAN. Are any funds of the United States deposited in other than national banks?

Mr. CARTER. I am not aware that that is the case.

Mr. BURKETT. If the Senator is through with his amendment, I want to call his attention to line 14, on page 5:

All the withdrawals of deposits may be made in even dollars unless the account shall be closed.

It seems to me there ought to be inserted there the words "unless it be for accrued interest." I think the bill provides that at the end of each year the interest shall be computed. The depositor may want to draw out the accrued interest, and it may not be in even dollars. It seems to me there should be a provision for withdrawals other than in even dollars, not only in closing an account, but for accrued interest, if the principal is desired to be left.

Mr. CARTER. The Senator from Nebraska will agree that owing to the very large number of accounts and the small amounts that will necessarily be involved—as common experience shows—it is necessary for purposes of ready computation to adhere as strictly as possible to the decimal system.

Mr. BURKETT. I think the Senator does not catch the point I am trying to make.

Mr. CARTER. The even dollars?

Mr. BURKETT. It would save bookkeeping to draw out other than even amounts when it is accrued interest, rather than to leave an uneven amount to go on to the next year. In line 14, on page 5, the bill provides that all the withdrawals must be made in even dollars unless the account shall be closed. My idea is that we should provide for an amount other than even dollars if it is to draw out accrued interest. For example, at the end of the year, let us say that the interest amounts to \$4.27. Under the Senator's bill the depositor could draw out only \$4 interest and must leave 27 cents to be added to the principal of a hundred dollars, say, and be computed. I think it would be better to permit him to draw out all of his accrued interest at the end of the year if he wants to, even though it is a fraction of a dollar, and leave his principal sum even during the next year.

Mr. CARTER. The bill contemplates the computation of interest annually without any solicitation on the part of the depositor. That will be done by the department as a matter of course. And elsewhere the bill provides that the interest shall be added to and become a part of the principal. I can readily understand the point made by the Senator with reference to odd cents, but the bill of necessity would have to be recast in other directions in order to carry out that suggestion.

Mr. BURKETT. You would only have to say, in line 17, "or it is accrued interest."

Mr. FULTON. I should like to ask the Senator from Montana if as a matter of fact the language as it appears in the bill would not permit the drawing out of all the interest. It seems to me that "all withdrawals of deposits" has reference to the previous sentence. The previous sentence says:

Any depositor may withdraw the whole or any part of the funds deposited to his or her credit, with the accrued interest.

Then the next sentence says:

All withdrawals of deposits must be made in even dollars unless the account shall be closed.

But the "even dollars," I take it, refers to the deposit, money actually deposited, and of course the bill has said before that he may withdraw that and the accrued interest as well. So it seems to me that the language as it reads would authorize him to draw out the deposit in even dollars and the interest whether it was in even dollars or not.

Mr. CARTER. That construction might be made.

The VICE-PRESIDENT. The Senator from Montana proposes an amendment, which will be read.

The SECRETARY. In section 9, page 5, line 22, after the words "may prescribe," strike out the remainder of the section and insert:

No national bank or other bank in which postal savings funds shall be deposited shall receive any exchange or any other fees or compensation on account of the cashing or collection of any checks or the performance of any other service in connection with the postal savings depository system.

The amendment was agreed to.

The Secretary resumed the reading of the bill.

The next amendment was, in section 10, page 6, line 3, to strike out "bank" and insert "depository," so as to make the section read:

SEC. 10. That postal savings depository funds are hereby declared to be public moneys and subject to the safeguards and preferences provided by statute therefor. After their receipt from depositors they shall be exempt from demand, garnishment, execution, attachment, seizure, or detention under any legal process against the depositor thereof. Such funds shall not be subject to taxation by the United States or any State, and no person connected with the Post-Office Department shall disclose to any person other than the depositor the amount of his or her deposit, unless directed so to do by the Postmaster-General.

The amendment was agreed to.

Mr. CARTER. I move to amend section 10 by inserting in line 10—

Mr. CLAY. I ask the Senator to let the section go over. I want to prepare a new section.

Mr. CARTER. Very good. I desire to offer an amendment to perfect it.

Mr. CLAY. I have no objection to the amendment, but I want to prepare a new section for it.

The VICE-PRESIDENT. The Senator from Montana proposes an amendment, which will be stated.

The SECRETARY. On page 6, line 10, after the word "State," insert the words "county or municipality," so as to read:

Such funds shall not be subject to taxation by the United States or any State, county, or municipality, and no person connected with the Post-Office Department shall disclose to any person other than the depositor the amount of his or her deposit, unless directed so to do by the Postmaster-General.

The amendment was agreed to.

The VICE-PRESIDENT. Section 10 will be passed over.

The next amendment was, in section 11, page 6, line 15, to strike out "bank" and insert "depository," and on page 7, line 9, to strike out "bank" and insert "depository," so as to make the section read:

SEC. 11. That the Postmaster-General shall, as herein provided, deposit postal savings depository funds in national banks to be designated by him, at a rate of interest not less than 2½ per cent per annum. Such deposits shall be made in national banks in the States and Territories in which the funds are received, and when possible in the counties in which such funds are received, and, as far as practicable, in the immediate vicinity of the places at which funds are so received. If any bank in which such funds are so deposited shall become insolvent, such funds shall be a prior lien upon its assets and shall be first paid, to the exclusion of all other indebtedness of every kind and nature whatsoever. Where it is not practicable to deposit such funds in the counties, States, or Territories where they are received, they may be deposited in national banks at the nearest practicable points thereto or invested in state, territorial, county, or municipal bonds to be selected by the Postmaster-General with the approval of the Secretary of the Treasury and the Attorney-General. Interest and profits shall be applied first to the payment of interest accruing to depositors in postal savings depositories as hereinbefore provided, and the excess thereof, if any, shall be covered into the Treasury as part of the postal revenues. For the purposes of this act the word "Territory" as used herein shall be held to include the District of Columbia, the district of Alaska, and Porto Rico.

The amendment was agreed to.

Mr. CARTER. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. I desire to offer an amendment to section 11.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. Add at the end of the section—

Mr. CARTER. I think it will come in after the word "whatsoever," line 1, page 7.

Mr. SMITH of Michigan. Very well, after the word "whatsoever."

The SECRETARY. On page 7, line 1, after the word "whatsoever," insert:

Where it is not practicable or desirable to deposit such funds or any part of the same in national banks in the counties, States, or Territories where they are received, they may be deposited in the state banks in such counties, States, or Territories, taking as security therefor, on approval of the Postmaster-General, bonds or other interest-bearing obligations of any regularly organized county, municipality, or State, or of the United States.

Mr. SMITH of Michigan. Mr. President, I desire to propose this amendment because it would not be proper or right to take the funds from local post-offices deposited by the people and deposit them in the national banks remote from the home of the depositor. It would be a discrimination against the community where the deposit originated, and it would be very unfair to the people in that vicinity. I have a telegram from the commissioner of banking in Michigan, showing the character and importance of state banks, which reads as follows:

LANSING, MICH., December 15, 1908.

HON. WILLIAM ALDEN SMITH,
Washington, D. C.

Michigan has 361 state banks and 6 trust companies. These have a total capital of \$21,600,000 and deposits of \$206,340,000.

H. M. ZIMMERMAN,
Commissioner of Banking.

Mr. KEAN. Will the Senator state how many savings banks there are in that number?

Mr. SMITH of Michigan. They are all savings banks. There are many communities in our State where there are no national banks. It would be very unfair and very unjust to collect these deposits from the post-offices and then cart them off into rival communities for the purpose of deposit in national banks, when state banks are locally available and equally substantial.

Mr. FULTON. Will the Senator permit me?

Mr. SMITH of Michigan. Certainly.

Mr. FULTON. I will say to the Senator from Michigan that I am in hearty sympathy with the spirit of the amendment he proposes, but it seems to me that it throws too severe restrictions around banks other than the national banks. I really do not see any reason why a national bank should be given any preference over any other bank that the Government thinks is entirely safe and responsible; and I would let them in on an

equal footing, with some safeguards, of course, as to ascertaining their soundness. But the language the Senator has employed rather indicates that only where they can not find satisfactory national banks shall the other banks be given the privilege of receiving these deposits. I do not think that ought to be done.

Mr. SMITH of Michigan. If the Senator will pardon me, I used the language employed in the amendment because it seemed to be the best I could do with the committee having the bill in charge. I talked the matter over with several Senators, and they thought this amendment a great improvement over the original bill, but there are some States where the examinations of state banks are not thorough and not satisfactory, where there is no good system prevailing. In those States lacking appropriate legislation I can conceive of deposits being made without security to the detriment of many of the depositors.

In the State of Michigan we have a system of examination that is far better than the national system. It is more thorough, more complete, and ample time is given to the examination of the state banks. The result is that our banks are prosperous and numerous. As this telegram from the commissioner of banking says, there are \$206,000,000 of the people's money in those banks alone. I do not want to have those banks discriminated against in the deposit of these funds, if we can help it.

Mr. FULTON. Has not the Senator discriminated against them?

Mr. SMITH of Michigan. I think not; I want to make all deposits of this fund absolutely safe and secure, whether made in a state bank or a national bank.

Mr. HOPKINS. Mr. President—

The VICE-PRESIDENT. Does the Senator from Michigan yield to the Senator from Illinois?

Mr. SMITH of Michigan. Certainly.

Mr. HOPKINS. I desire to suggest to the Senator from Michigan, in answer to the inquiry made by the Senator from Oregon [Mr. FULTON], that the Federal Government having no control whatever over these state banks, it would be necessary, if we are to utilize them in this bill, to require restrictions and obligations upon those banks which are not exacted from national banks.

Mr. FULTON. I suggest to the Senator that the restrictions might be placed on some other basis than the language here employed would indicate. For instance, the language is—

Where it is not practicable or desirable to deposit such funds or any part of the same in national banks.

That puts up a fence against the depositing in a state bank and renders it very rare that it would occur.

Now, to obviate what the Senator suggests—and I suppose there might be no objection to it—let it provide that when they offer approved security, or something of that character, they shall be given an equal opportunity with national banks to get the deposits.

Mr. SMITH of Michigan. Would the Senator from Oregon suggest that such language be employed as would be mandatory upon the Postmaster-General to deposit these funds pro rata in all the banks of the country?

Mr. FULTON. I would not make it mandatory.

Mr. SMITH of Michigan. I simply seek to prevent any discrimination against communities and against state banks properly supervised.

Mr. FULTON. I think language may be framed which would put them on the same footing, the conditions being such as to warrant the deposit.

Mr. HOPKINS. Mr. President, this amendment is too important to be adopted without mature deliberation, and I suggest to the Senator from Michigan that he have his amendment printed, and that this paragraph be passed over for the time, so that we can look into it carefully. Then if we find, as suggested by the Senator from Oregon, that it is imperfect, we will have an opportunity to perfect it before it becomes a part of the bill.

Mr. SMITH of Michigan. I am in thorough sympathy with the state banks' desire for a portion of the deposits, but do not want to commit the Federal Government to a proposition that is merely enterprising and not absolutely safe in its character.

Mr. McCUMBER. I hope the Senator from Michigan will liberalize his amendment very much indeed. I can see no reason why you should discriminate against state banks. I believe upon the whole the examinations in the state banks throughout the United States are just as thorough as they are in the national banks. If it is the object of the bill to keep the money in the town or place where it was collected, and there should be nothing but a state bank in that place, then I

can see no reason for exacting from them a security different from what you would exact from the national banks.

Now, if you compel the state banks to get municipal or other bonds, the chances are a hundred to one that they have got to send the money to New York or some other large city in order to purchase the bonds to give the necessary security.

You may allow them to use such security as the Secretary of the Treasury may require, whether it be a bond that is given by individuals or whether it be a bond given by a security company, and then have a mandatory provision that the money shall be deposited in that city or town to the credit of any one of the banks that will take it on the 2 per cent, and in such proportion as their capital may be, or what other provision the Secretary may prescribe by the rules, but I certainly can see no reason why you should exact from the state banks a security and exact from national banks nothing whatever, when in many instances they are not as solvent as the state banks.

Mr. SMITH of Michigan. If the Senator will permit me a word, there is no uniformity either in law or regulation with respect to state banks throughout the country. They vary as the legislation of the various States varies. If there was uniformity of law in their organization, if there was uniformity of rule with reference to their regulation, management, and supervision, we might, by a general provision, liberalize the amendment. But that is not the case. I wish we might have uniformity among the States affecting all banking privileges.

Mr. FULTON. Will the Senator allow me to ask him right there—

Mr. SMITH of Michigan. If the Senator will pardon me, I do not believe there is a state bank under proper supervision and regulation of law that has not in its possession as a part of its assets a very large proportion of its deposits in real-estate mortgages, and bonds of one kind and another.

Mr. McCUMBER. I can answer that in my own State, where we have a great many state banks and national banks, none of them carry municipal bonds in their possession or anything of that character, because the value of money in that section of the country is so much greater, and the interest is so much greater, that all those securities are sent east and find their markets in the great cities of the country.

Mr. SMITH of Michigan. You carry a portion of your assets in real estate?

Mr. McCUMBER. No; they are not allowed to carry their assets in real estate, except for the bank building, and so forth.

Mr. SMITH of Michigan. In our State we are obliged to carry 51 per cent in real-estate security.

Mr. McCUMBER. That is not the rule in most of the States.

Mr. SMITH of Michigan. I think in a good many of the States they are obliged to carry a proportion of assets in tangible real-estate mortgages, and in that respect state banks differ from the national banks.

Mr. McCUMBER. That would not help out any in giving the security necessary to get the deposits. There will be nothing gained if you have got to turn into another channel an equal amount of money in order to get the deposits from that particular post-office.

Mr. FULTON. Mr. President—

The VICE-PRESIDENT. Does the Senator from Michigan yield to the Senator from Oregon?

Mr. SMITH of Michigan. Certainly.

Mr. FULTON. The more I think about it the more I believe it is the only good plan to require the same character of security from all the banks and make no distinction in regard to them.

Mr. SMITH of Michigan. State and national?

Mr. FULTON. National and state, and require each one of them to give approved security for the deposits. Then the one that can make the best showing and offer the best inducement will get the deposits. I do not see why there should be any distinction between state and national banks. As the Senator says, we know that many of the very best banks in the country in every State are what we call private banks or state banks.

Mr. SMITH of Michigan. But there is a distinction between state and national banks, and the bank that bids the most for deposits is not always the safest depository for trust funds.

Mr. FULTON. Certainly, there is a distinction between them.

Mr. SMITH of Michigan. There is an inherent distinction, and a great difference in management.

Mr. FULTON. Very well; but we need not recognize it if they give the same security.

Mr. SMITH of Michigan. But we must recognize it. We are legislators, not bankers.

Mr. FULTON. There is a distinction, of course, but it is not a distinction that need interfere if we require them all to give the same class of security.

Mr. SMITH of Michigan. My sole purpose is to perfect this legislation with impartiality.

Mr. CLAPP. I had supposed that that phase of the question was settled for the present.

Mr. SMITH of Michigan. I do not know how it is settled. It goes over under the rule.

Mr. FULTON. The Senator must have adopted what I said if he thought it was settled.

Mr. CLAPP. I desire to offer an amendment. The suggestion was made that this section should go over, but before that I wanted to offer an amendment to another part of the section when this is disposed of.

The VICE-PRESIDENT. The Senator from Michigan proposes an amendment, which will be read by the Secretary.

The SECRETARY. It is proposed to add, at the end of section 11, the following words:

Where it is not practicable or desirable to deposit such funds or any part of the same in national banks in the counties, States, or Territories where they are received, they may be deposited in the state banks in such counties, States, or Territories, taking as security therefor, on approval of the Postmaster-General, bonds or other interest-bearing obligations of any regularly organized county, municipality, or State, or of the United States.

Mr. HOPKINS. I ask that the amendment be printed and that it go over with the other amendments.

The VICE-PRESIDENT. The proposed amendment will be printed in the reprint of the bill as pending.

Mr. CLAPP. I have talked with the chairman of the committee on this subject. Complaint has come to me that under the bill as it is framed now the department might make the same rule that they make with regard to depositing public funds to-day, limiting the amount of deposit by the capital of the bank. They might not do it in this case, but I think to put it beyond any question I should submit an amendment. It comes in after the word "received," in line 22, page 6.

The VICE-PRESIDENT. The proposed amendment will be read.

The SECRETARY. In section 11, page 6, line 22, after the word "received," insert:

In selecting the bank in which a deposit is to be made, such bank shall be selected without regard to the capital stock thereof.

Mr. KEAN. Ought it not to be the amount of capital stock?

Mr. CLAPP. I will change that.

Mr. HOPKINS. I ask that the amendment may go over.

Mr. BURKETT. I understand that all the amendments are going over that are offered, outside of the committee amendments.

The VICE-PRESIDENT. The amendment will be regarded as pending, under the rule. The amendments can not be acted upon now.

Mr. BURKETT. It is my understanding that all the amendments offered, outside of the committee amendments, are pending, and go over under the rule.

Mr. CUMMINS. It is apparent that we have now met the vital part of the bill, and I have an amendment which I desire to propose. I ask that it be printed and go over.

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Iowa?

Mr. CLAPP. I should like to ask that the words "amount of the" be inserted, so as to read "without regard to the amount of the capital stock thereof."

The VICE-PRESIDENT. That amendment will be included in the reprint. The Senator from Iowa offers an amendment, which will be read.

Mr. CUMMINS. It also refers to section 10, but it may be considered together.

The SECRETARY. It is proposed to strike out all of section 10 and also to strike out section 11 and to substitute therefor the following:

SEC. 10. That the Postmaster-General shall as herein provided deposit postal savings depository funds received at the post-office in any city, town, or village in the bank or banks organized under the national law, or a state or territorial law and doing business in such city, town or village; and if in any such city, town, or village there be no such bank, or if the funds have been received at a post-office not within a city, town, or village, then in the nearest bank or banks in the State or Territory: *Provided, however,* That no depository funds shall be deposited in any bank organized under a state or territorial law unless the laws of the State or Territory in which it is located require public supervision and examination: *And provided further,* That such examination shows the bank to be solvent not only as to creditors but with unimpaired capital.

Before a deposit is made in any bank as above authorized the bank shall agree to pay interest thereon computed upon the daily balance at the rate of not less than 2½ per cent per annum. Each bank receiving deposits under the authority of this act shall, from time to time, give such suitable bond or bonds, with surety or sureties, to be approved by the Postmaster-General, as will indemnify the Government against

loss. If the banks herein described as the banks in which the funds are to be deposited refuse to accept a deposit or deposits upon the terms and conditions above prescribed, then and in such case the Postmaster-General may use any bank designated by him and complying with said terms and conditions for such deposit or deposits; or he may invest the same in state, territorial, county, or municipal bonds, to be selected by him with the approval of the Secretary of the Treasury and the Attorney-General. Interest and profits shall be applied first to the payment of interest accruing to depositors in postal savings depositories as hereinbefore provided, and the excess thereof, if any, shall be covered into the Treasury as part of the postal revenues. For the purposes of this act the word "Territory" as used herein shall be held to include the District of Columbia, the district of Alaska, and Porto Rico.

Strike out the figures "12," in line 15, on page 7, and substitute the figures "11."

Strike out the figures "13," in line 25, on page 7, and substitute the figures "12."

Strike out the figures "14," in line 9, on page 8, and substitute the figures "13."

Strike out the figures "15," in line 21, on page 8, and substitute the figures "14."

Strike out the figures "16," in line 8, on page 9, and substitute the figures "15."

Strike out the figures "17," in line 1, on page 10, and substitute the figures "16."

The VICE-PRESIDENT. Does the Senator from Iowa desire to have the amendment printed and lie on the table to be offered later?

Mr. CUMMINS. I desire to have it printed as the other amendments which have been proposed, and that it lie on the table to be considered at a future time.

The VICE-PRESIDENT. The amendment will be printed with the reprint of the bill.

Mr. CARTER. I ask that the bill, as amended, be printed, and that the reprint include the amendment to section 7 marked by brackets so as to indicate that the amendment is pending.

The VICE-PRESIDENT. Without objection, it is so ordered.

Mr. GORE. I offer the amendment which I send to the desk and ask that it be read and lie on the table.

The VICE-PRESIDENT. The amendment intended to be proposed by the Senator from Oklahoma will be stated.

The SECRETARY. In section 11, page 7, line 1, after the word "whatsoever," it is proposed to insert the following:

Where it is not practicable to deposit such funds in any national bank or banks in the counties, States, or Territories where they are received they may be deposited on the terms and conditions herein above provided in any state bank, savings bank, or other banking association organized under the laws of the State or Territory where the deposits are received, whenever such banking association shall make application therefor and shall furnish security consisting of United States bonds or the bonds of any State, county, municipality, or Territory, or any other security which may be satisfactory to the Postmaster-General.

The VICE-PRESIDENT. The proposed amendment will be printed and lie on the table.

Mr. CARTER. I move that the Senate proceed to the consideration of executive business.

Mr. ALDRICH. I should like to ask the Senator from Montana if the amendments of the committee have all been adopted?

Mr. CARTER. All except one that will be printed in the text in the appropriate place, marked "pending."

The VICE-PRESIDENT. The Chair would suggest that there are some pending committee amendments to the bill in the paragraphs of the bill not yet reached in the reading. The reading has not been completed beyond section 11.

Mr. CARTER. The committee has no further amendments to offer beyond section 11.

The VICE-PRESIDENT. There are several amendments indicated in the bill.

Mr. CARTER. They are formal amendments, changing the word "banks" to the word "depositories." I ask unanimous consent that those formal amendments be considered as agreed to all the way through the bill.

The VICE-PRESIDENT. Without objection, the formal amendments referred to will be considered as agreed to. The bill will be printed with the pending amendments appropriately indicated.

Mr. ALDRICH. Mr. President, I ask the Senator from Montana to yield to me for a moment. I desire to have printed in the RECORD a statement of the comparative number of banks of all classes in the United States in 1900 and 1908. There seems to be quite a misapprehension in some quarters as to the banking facilities of the people of the United States. We have 25,000 banks in the United States to-day. We had about 11,000 eight years ago. At the present rate of increase, I think there will be but very few communities in the United States which will not soon have adequate banking facilities. I ask that the statement I hold in my hand may be printed in the RECORD and also as a document. I make the same request as to the letter from the Postmaster-General, which I send to the desk.

The VICE-PRESIDENT. The Senator from Rhode Island asks that the table and the letter submitted by him be printed in

the RECORD and also as a document. Without objection, it is so ordered.

The statement and letter (S. Doc. No. 637) referred to are as follows:

Statement showing the number of national and other banks in the United States on or about June 30, 1900, and July 15, 1908, together with increase or decrease of each State.

States, etc.	June, 1900. ^a						July 15, 1908. ^b						Total decrease.	Total increase.
	National.	State.	Loan and trust.	Private.	Savings.	Total.	National.	State.	Loan and trust.	Private.	Savings.	Total.		
Maine.....	82		17		51	150	77		39		52	168		18
New Hampshire.....	55	9			58	122	57	9			61	127		5
Vermont.....	48				41	89	51				48	99		10
Massachusetts.....	248		34		186	468	198		52		180	439	29	
Rhode Island.....	47	4	6		29	86	22	3	12		18	55	31	
Connecticut.....	83	8	14		88	193	80	7	25		87	199		6
Total New England States.....	563	21	71		453	1,108	485	19	128		455	1,087	60	39
New York.....	335	200	59	15	128	737	423	200	88	7	137	855		118
New Jersey.....	114	20	30		26	190	173	18	75		26	292		102
Pennsylvania.....	452	95	97	28	14	686	765	130	327	16	14	1,252		566
Delaware.....	19	2	2		2	25	27	4	8		2	41		16
Maryland.....	69	26	6	6	18	125	101	54	10	6	17	188		63
District of Columbia.....	12		4		4	20	11		5		11	27		7
Total Eastern States.....	1,001	343	198	49	192	1,783	1,500	406	513	29	207	2,655		872
Virginia.....	40	95				135	105	235		2		342		207
West Virginia.....	38	83			6	127	95	171		1	1	268		141
North Carolina.....	30	54		25	9	118	68	260		2	22	352		234
South Carolina.....	16	27			11	54	29	211		4	18	262		208
Georgia.....	28	144		9		181	96	458		11		565		384
Florida.....	15	23			1	39	39	98		7	3	147		108
Alabama.....	28	20				48	76	187		9		272		224
Mississippi.....	12	101				113	29	316				345		232
Louisiana.....	20	56			2	78	36	182				218		140
Texas.....	207			41	2	250	533	319		37		889		639
Arkansas.....	7	39		3		49	40	124				164		115
Kentucky.....	79	219	3	13		314	145	426	26			597		283
Tennessee.....	48	56			7	111	86	325				411		300
Total Southern States.....	568	917	3	91	38	1,617	1,377	3,312	26	73	44	4,832		3,215
Ohio.....	266	164		71	14	515	365	426		196	3	990		475
Indiana.....	117	96	12	68	5	298	242	257	91	198	5	793		495
Illinois.....	233	155		135		523	409	417	3	157		986		463
Michigan.....	81	194		48		323	96	344		56		496		173
Wisconsin.....	80	137		127	1	345	130	443	12		2	587		242
Minnesota.....	76	188	6	47	11	328	262	607	4	14	14	901		573
Iowa.....	177	214		119	226	736	316	261	13	111	571	1,272		536
Missouri.....	64	510		90		664	121	934	37	59		1,151		487
Total Middle States.....	1,094	1,658	18	705	257	3,732	1,941	3,089	100	791	595	7,176		3,444
North Dakota.....	24	129				153	131	421				552		399
South Dakota.....	26	109		70		205	89	431				520		315
Nebraska.....	108	405				513	209	598			11	832		319
Kansas.....	103	384				487	208	740	4	9		961		474
Montana.....	21	15		6		42	40	49		5		94		52
Wyoming.....	13	9		11		33	30	43		3		76		43
Colorado.....	37	30		13		80	114	64	11	51	8	248		168
New Mexico.....	8	6				14	41	26				67		53
Oklahoma.....	18	71				121	308	494				802		681
Indian Territory.....	26			6										
Total Western States.....	384	1,158		106		1,648	1,170	2,866	15	82	19	4,152		2,504
Washington.....	30	27		8		65	62	196		4		263		197
Oregon.....	27	19		2		48	63	132		6		201		153
California.....	38	178		19	53	288	139	355		19	133	616		358
Idaho.....	9	8		6		23	88	114				152		129
Utah.....	11	20			9	40	20	56				76		36
Nevada.....	1	4		1		6	9	10		3		22		16
Arizona.....	5	14				19	13	29				42		23
Alaska.....	1					1	2	10				12		11
Total Pacific States.....	122	270		36	62	490	346	902		32	133	1,413		923
Hawaii.....		2		2		4	4	7				11		7
Porto Rico.....							1	9				10		10
Philippine Islands.....								10				10		10
Total Island possessions.....		2		2		4	5	26				31		27
Total United States.....	3,732	4,369	200	989	1,002	10,382	6,824	11,220	842	1,007	1,453	21,346	60	11,024

NOTE.—Net gain, 10,964.

^a Reports received from national banks June 29, 1900, and state and other banks on or about June 30, 1900.

^b Reports received from national banks July 15, 1908, and state and other banks on or about June 30, 1908.

JANUARY 4, 1909.

MY DEAR SENATOR: In accordance with the request made when you called at the department a few days ago, I take great pleasure in sending you herewith a table showing the respective growth during recent years of the postal and other savings deposits of foreign countries.

In order to appreciate thoroughly the significance of the statistics brought together in this table, it is necessary that the rate of interest paid by postal savings banks in each of these countries should be taken into consideration. It will be found that wherever the postal savings banks are operated on a conservative basis the deposits in private savings banks have multiplied with great rapidity—usually much faster than those of the postal savings banks. It should also be borne in mind that the deposits in private banks, as shown in the table, are, except for the United Kingdom, savings deposits only and do not include the vastly larger amounts held on deposit by banks handling commercial accounts.

Mr. A. de Malaree, a political economist, in his "Historical Develop-

ment of Post-Office Savings Banks," demonstrates that savings institutions fostered by private enterprise may exist and prosper side by side with postal savings banks. He says:

"It is worth mentioning in this connection that in a good many of the aforesaid countries the other well-administered savings banks have not ceased to prosper and to show steady progress, especially among the town populations, for instance in France, where the number of clients of private savings banks has risen from 4,199,228 to over 6,500,000 since the opening of the post-office savings bank in 1882."

I find that postal savings banks cater to a class of people distinct from those who patronize private institutions, and it is probable that a majority of these people would not deposit their savings at all but for the special facilities provided by their governments. To fully elucidate this point, I have only to quote from the 1907 report of the Comptroller of the Currency:

"That postal savings banks are favored by the smaller depositors is shown by comparison of the average deposit in postal savings banks

and all savings banks combined in those countries where both classes of institutions exist. Thus, in Austria the average savings account in the postal savings bank is only \$22.39, against \$187.32 in all savings banks. In Finland the average deposit in postal savings banks was \$18.79, against \$100.33 in all savings banks; in France \$53.90, against \$74.03; in Hungary \$24.78, against \$239.84; and in Russia \$66.95, against \$94.13."

If a corroboration of the comptroller's statement were needed, it could be found in this excerpt from L'Union Postale for September, 1904, relating to conditions in Austria, which typify those existing in many other countries:

"If the depositors are classed according to social position and profession, the largest participation is by children, school children, and students, who form 44 (1890, 48) per cent of all the depositors, which agrees with the above-mentioned preponderance of depositors below the age of 30. Artisans and laborers, with 14.3 (1890, 13) per cent, are more numerous represented than any other calling. Domestic servants also, with 8 per cent (as in 1890), form a not inconsiderable fraction of the clientele of the savings bank; 4.5 per cent of the deposit books belong to married women and widows; 2.1 per cent of the depositors are military men. State and parochial officers represent 1.5 per cent. The remaining 25.6 per cent are distributed among the members of a great variety of professions and callings, none of which, however, are especially predominant."

"These statistics prove that the savings bank finds special favor with the young. The number of children and school children who in 1893 made request for deposit books was 54,713."

"Of the above-mentioned books issued to youthful depositors, 432,839 were still in use at the end of 1893. The percentage among these books of accounts closed (39 per cent) is less than the usual percentage of accounts closed (46 per cent), a fact which shows the favorable influence which the impulse to save, given in youth, exerts in promoting constant habits of saving. The gratifying participation of youthful depositors which gives promise of good results in the future is ascribed in no small degree to the thankworthy efforts of the teachers and post-office officials. Namely, the rural letter carriers collect deposits when on their rounds. In 1893 they collected 42,452 separate sums, with a total value of 1,294,041.60 florins; in 1890 27,762 sums, value 962,376 florins."

A copy of a table showing rates of interest paid by the postal savings banks of foreign countries, which was originally compiled for Senator Carter, and formed part of a speech delivered by him in the Senate, is inclosed.

In Sweden alone, so far as I am able to learn, has there been any sustained decrease in postal savings deposits. The table made up for you shows a decrease in seven years of \$2,512,445, and in the same time deposits in private savings banks increased \$53,032,441. This appears to be primarily due to conditions which are epitomized in the following, taken from page 17 of the last annual report:

"Extract from an official report entitled 'Post-Office Savings Bank of Sweden in 1899':

"Whereas in each of the fifteen previous financial years the amount of deposits exceeded that of the withdrawals, in 1899, on the contrary, the latter exceeded the former by not less than 6,132,286 crowns (a crown being equal to 26.8 cents). This unfavorable result is due on the one hand to the fact that private banks now also accept small deposits on terms much more advantageous than those of the post-office savings bank, as they allow depositors to withdraw higher sums without giving notice in advance. Accordingly a number of depositors who had invested their savings in the post-office savings bank when the rate of interest was higher than in private banks withdrew their capital to invest in the latter banks."

In Japan there has been an apparent decrease in seven years of \$12,281,113 in the deposits of private savings banks, but this showing is probably largely the result of important changes in the banking system of Japan and the raising of their war loan.

The composite experience of other countries can not but confirm the wisdom of the provision in the proposed bill for the establishment of postal savings banks, which fixes the rate of interest at 2 per cent per annum.

Believe me,

Faithfully, yours,

GEO. V. L. MEYER.

Hon. JULIUS C. BURROWS,
United States Senate.

Savings deposits in foreign countries.

Country.	1898.			1905.			Increase.		
	Postal.	Other.	Total.	Postal.	Other.	Total.	Postal.	Other.	Total.
Austria.....	\$24,076,951	\$357,127,547	\$381,204,498	\$42,536,862	\$1,044,260,773	\$1,086,797,635	\$18,459,911	\$687,133,226	\$705,593,137
France.....	*162,932,086	*661,429,700	*824,361,786	*58,374,735	*702,125,872	960,500,607	95,442,649	40,693,172	136,138,821
Hungary.....	5,368,784	130,310,007	135,708,791	13,075,800	503,886,128	520,861,428	8,606,516	376,543,121	385,152,637
Italy.....	*80,166,000	*344,152,587	*424,318,587	206,224,000	349,609,671	555,834,271	117,058,600	5,457,084	122,515,684
Netherlands.....	28,144,884	31,643,832	59,788,716	52,231,689	37,061,988	89,293,677	24,088,805	5,418,156	29,506,961
Russia.....	42,800,963	233,866,307	276,637,270	88,613,475	853,237,197	944,850,672	45,812,512	622,370,890	668,183,402
Sweden.....	17,161,004	111,337,103	128,498,107	14,648,559	164,369,544	179,018,103	*2,512,445	53,032,441	55,544,886
United Kingdom.....	599,280,758	*3,598,747,551	4,198,028,309	740,248,862	*4,026,347,440	4,766,596,302	140,968,104	427,599,889	568,567,993
Canada.....	34,480,938	15,482,100	49,963,038	45,368,321	25,050,966	70,419,287	10,887,383	9,568,836	20,456,219
Japan.....	10,940,327	46,642,188	57,582,515	27,015,890	34,381,075	61,396,965	16,075,533	*12,281,113	3,794,450
New South Wales.....	24,459,365	21,679,619	46,139,014	38,702,715	26,986,528	65,689,243	14,243,350	5,803,879	19,550,229
New Zealand.....	24,128,993	3,840,233	27,969,226	42,153,735	10,875,255	53,028,990	18,028,742	7,035,022	*25,063,764

* 1897.

* 1906.

* 1907.

* 1895.

* Decrease.

"Joint stock" banks. The banks of the United Kingdom which accept only savings deposits do not report on their operations, so that statistics concerning them are very incomplete.

There is but one bank in New Zealand which may be properly termed a savings bank—the Savings Bank of Victoria—and it is operated in conjunction with the postal savings banks. Concerning this state of affairs a recent British official report states: "On June 30, 1905, the Savings Bank of Victoria, with which have been amalgamated the post-office savings banks, had 54 banks and branches with 328 agencies at post-offices in the States."

Mr. PILES. I offer the amendment which I send to the desk, and ask that it be printed and lie on the table.

The VICE-PRESIDENT. The amendment intended to be proposed by the Senator from Washington will be stated.

The SECRETARY. In section 11, page 6, line 22, after the word "received," it is proposed to insert:

Where there are two or more national banks in the immediate vicinity each of such banks shall be designated as a depository, and deposits shall be made therein ratably according to their capital and surplus: *Provided*, That nothing herein contained shall require the Postmaster-General to make such deposits in any bank which he may deem to be unsafe.

The VICE-PRESIDENT. The amendment will be printed and lie on the table.

Mr. CARTER. Mr. President, it is frequently alleged, and I believe bankers sincerely believe, that the postal savings system which we here propose would injuriously affect the existing banks of the country. This is a prediction only, and, in order that the effect of like institutions upon the banks of other countries may be the better understood, I desire to have inserted in the RECORD a statement showing the amount of postal depository funds and the amount of deposits in other banks, from 1898 to 1905, inclusive, in Austria, France, Hungary, Italy, the Netherlands, Russia, Sweden, the United Kingdom, Canada, Japan, New South Wales, and New Zealand. A perusal of this paper will show that in actual experience, where the postal savings system exists, the banks are stronger, measured by their deposits as related to population and wealth, than before the adoption of the postal system.

I have likewise a table containing data showing the rate of interest, the minimum deposit allowed, the maximum deposit drawing interest, and the maximum of one account in the respective countries to which I have just referred. I ask that these tables be printed in the RECORD, following the statement of the Senator from Rhode Island.

Mr. HOPKINS. Mr. President—

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Illinois?

Mr. CARTER. Certainly.

Mr. HOPKINS. I ask the Senator also—

Mr. CULLOM. I rise to inquire of the Senator from Montana whether I did not hear him suggest an executive session.

Mr. CARTER. I was about to make that motion, but I yielded to the Senator from Rhode Island.

Mr. CULLOM. If the Senator is going to make that motion I will not do so.

Mr. HOPKINS. Before that is done, I will ask the Senator from Montana if he will also have the figures that he has just presented to the Senate printed as a public document, so that we can have them in more convenient form than in the RECORD.

The VICE-PRESIDENT. Without objection, the tables presented by the Senator from Montana will be printed in the RECORD without reading—

Mr. CARTER. And also as a document.

The VICE-PRESIDENT. And without objection, they will be printed as a public document.

The tables referred to are as follows:

Data relating to the postal savings banks of foreign countries.

Country.	Rate of interest.	Minimum deposit.	Maximum drawing interest.	Maximum of one account.
EUROPE.				
Austria	3 per cent	* \$0.203	\$406.00	\$406.00
Belgium	3 per cent up to \$386. 2 per cent on excess	.193	No limit.	^b No limit.
Bulgaria	4 per cent	.193	Individuals 386.00 Institutions 965.00	Individuals 386.00 Institutions 965.00
France	2½ per cent	.193	Individuals 289.50 Institutions 2,895.00	Individuals 289.50 Institutions 2,895.00
Hungary	3 per cent	.203	Individuals 812.00 Institutions 1,624.00	Individuals 812.00 Institutions 1,624.00
Italy	2.04 per cent ^c	.193	Individuals 386.00 Institutions 964.80	Individuals 386.00 Institutions 964.80
Netherlands	2.64 per cent	* .1005	Individuals 482.40 Institutions 964.80	Individuals 482.40 Institutions 964.80
Sweden	3.6 per cent	.268	Individuals 536.00 Institutions 973.30	Individuals 536.00 Institutions 973.30
United Kingdom	2½ per cent	.243		
NORTH AND SOUTH AMERICA.				
Bahamas	2½ per cent	.243	973.30	973.30
British Guiana	2.40 per cent	(^f)	1,500.00	1,500.00
Canada	3 per cent	1.00	* 3,000.00	3,000.00
ASIA.				
British India	3 per cent and 3½ per cent ^e	.081	Adults 648.86 Minors 324.43	Adults 1,622.16 Minors 1,297.73
Ceylon	2.4 per cent	.507	648.86	(^f)
Straits Settlements	3 per cent	.487	731.27	731.27
Dutch East Indies	2.4 per cent	.1005	964.80	964.80
Japan	4.8 per cent	.05	249.00	(^f)
AFRICA.				
Cape Colony	3 per cent	.243	2,919.90	2,919.90
Egypt	2½ per cent	(Initial .989 Later .247)	988.60	988.60
Orange River Colony	3 per cent	.243	2,433.25	2,919.90
Sierra Leone	2½ per cent	.243	2,433.25	2,433.25
Transvaal	3½ per cent	.243	2,433.25	2,919.90
AUSTRALASIA.				
New South Wales	3 per cent	.243	2,433.25	Not given.
New Zealand	3½ per cent up to \$1,459.95 3 per cent on excess	.243	2,433.25	2,919.90

* This may consist of stamps of small denominations.

^b Not more than \$965 may be deposited in any period of two weeks by one person.^c In 1905. From 1876 to 1878 the interest rate was 3 per cent; 1879 to 1886, 3½ per cent; 1887 to 1895, 3½ per cent; 1896 and 1897, 3 per cent; 1898 to 1901, 2.88 per cent; 1902 to 1904, 2.76 per cent.^d Not more than \$243.32 may be deposited in any one year by any person.^e Not more than \$1,000 may be deposited in any one year by any person.^f Minimum deposit not stated. The smallest amount upon which interest is paid is \$5.^g Interest at the rate of 3 per cent is paid on deposits "at call," at the rate of 3½ per cent on those requiring six months' notice of withdrawal.^h Not more than \$389.32 may be deposited in any one year by one person.ⁱ \$324.43 yearly, or \$973.30 in all, may be deposited by one person for investment in government bonds.^j Should more than \$249 be deposited, the excess is invested in government bonds.

Mr. BURKETT. Mr. President, as I understand, the Senator from Rhode Island [Mr. ALDRICH] asked to have a statement printed in the RECORD. I have a statement which I had made up including not only the number of banks, but also the number of money-order post-offices and the population by States, the number of savings-bank depositors and the average deposits.

I should like to have this printed also.

The VICE-PRESIDENT. The Senator from Nebraska asks unanimous consent that the statement presented by him be printed in the RECORD without reading. Without objection, it is so ordered.

The statement referred to is as follows:

Number of savings banks, number of commercial banks, total number of banks, number of money-order post-offices, population (estimated by government actuary), number of savings-bank depositors, and their average deposit in savings banks, by States, as shown by the records of the Comptroller of the Currency on or about June 30, 1908.

State.	Number savings banks.	Number commercial banks.	Total banks.	Money-order post-offices.	Population, estimated by government actuary.	Number savings banks' depositors.	Average to each depositor.
Maine	52	116	168	740	720,000	225,346	\$379.43
New Hampshire	61	66	127	388	440,000	186,610	437.49
Vermont	48	51	99	394	351,000	159,841	378.46
Massachusetts	189	250	439	659	3,100,000	1,971,044	358.55
Rhode Island	18	37	55	109	510,000	121,661	547.79
Connecticut	87	112	199	363	1,050,000	539,873	473.75
Total New England States	455	632	1,087	2,653	6,171,000	3,204,875	392.38
New York	137	718	855	2,325	8,560,000	2,719,598	506.78
New Jersey	26	206	292	662	2,310,000	282,014	328.46
Pennsylvania	14	1,238	1,252	2,949	7,175,000	452,638	354.89
Delaware	2	39	41	85	197,000	31,896	281.25
Maryland	17	171	188	556	1,323,000	213,524	367.50
District of Columbia	11	16	27	1	350,000	46,871	129.17
Total Eastern States	207	2,448	2,655	6,578	19,915,000	3,746,041	400.45
Virginia		342	342	1,474	2,020,000		
West Virginia	1	267	268	388	1,118,000	4,858	226.32
North Carolina	22	330	352	977	2,120,000	36,492	157.85
South Carolina	18	244	262	528	1,500,000	21,698	363.71
Georgia		565	565	943	2,540,000		
Florida	3	144	147	624	600,000	4,209	200.00
Alabama		272	272	915	2,068,000		
Mississippi		345	345	811	1,783,000		

Number of savings banks, number of commercial banks, total number of banks, number of money-order post-offices, etc.—Continued.

State.	Number savings banks.	Number commercial banks.	Total banks.	Money-order post-offices.	Population, estimated by government actuary.	Number savings banks' depositors.	Average to each depositor.
Louisiana.....		218	218	668	1,612,000		
Texas.....		889	889	1,692	3,739,000		
Arkansas.....		164	164	854	1,458,000		
Kentucky.....		597	597	984	2,398,000		
Tennessee.....		411	411	832	2,239,000		
Total Southern States.....	44	4,788	4,832	12,190	25,285,000	67,257	\$231.89
Ohio.....	3	987	990	1,622	4,572,000	99,688	541.10
Indiana.....	5	788	793	1,076	2,813,000	31,393	364.13
Illinois.....		986	986	1,624	5,675,000	617,782	* 293.57
Michigan.....		493	499	1,193	2,615,000		
Wisconsin.....	2	585	587	977	2,320,000	5,799	187.10
Minnesota.....	14	887	901	993	2,120,000	91,718	237.68
Iowa.....	571	701	1,272	1,239	2,240,000	364,523	364.17
Missouri.....		1,151	1,151	1,411	3,438,000		
Total Middle Western States.....	595	6,581	7,176	10,108	25,823,000	1,210,883	332.28
North Dakota.....		552	552	505	400,000		
South Dakota.....		520	520	413	400,000		
Nebraska.....	11	821	832	702	1,076,000	14,892	145.32
Kansas.....		961	961	989	1,640,000		
Montana.....		94	94	316	325,000		
Wyoming.....		76	76	182	110,000		
Colorado.....	8	240	248	498	640,000	10,775	311.00
New Mexico.....		67	67	245	226,000		
Oklahoma.....		802	802	893	1,201,000		
Total Western States.....	19	4,133	4,152	4,743	6,288,000	25,637	215.00
Washington.....		262	262	616	650,000		
Oregon.....		201	201	479	494,000		
California.....	133	513	616	1,198	1,709,000	451,155	564.54
Idaho.....		152	152	310	229,000		
Utah.....		76	76	213	332,000		
Nevada.....		22	22	119	42,000		
Arizona.....		42	42	151	153,000		
Alaska.....		12	12	37	90,000		
Total Pacific States.....	133	1,280	1,413	3,123	3,690,000	451,155	564.54

* Included in abstract of state banks having savings departments.

EXECUTIVE SESSION.

Mr. CARTER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After twenty minutes spent in executive session the doors were reopened, and (at 4 o'clock and 10 minutes p. m.) the Senate adjourned until tomorrow, Thursday, January 7, 1909, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate January 6, 1909.

COLLECTOR OF CUSTOMS.

Frederick S. Stratton, of California, to be collector of customs for the district of San Francisco, in the State of California. (Reappointment.)

PROMOTION IN THE ARMY.

INFANTRY ARM.

First Lieut. G. Arthur Hadsell, Nineteenth Infantry, to be captain from December 24, 1908, vice Minus, Sixteenth Infantry, retired from active service.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants, with rank from January 4, 1909.

James M. Anders, of Pennsylvania.
William Easterly Ashton, of Pennsylvania.
L. Webster Fox, of Pennsylvania.
Ernest Laplace, of Pennsylvania.
Charles Alfred Lee Reed, of Ohio.
William Louis Rodman, of Pennsylvania.
John V. Shoemaker, of Pennsylvania.

COAST ARTILLERY CORPS.

Robert Clifton Garrett, of New Mexico, to be second lieutenant, with rank from January 4, 1909.

PROMOTIONS IN THE NAVY.

Asst. Paymaster Leon N. Wertenbaker to be a passed assistant paymaster in the navy from the 8th day of July, 1908, upon the completion of three years' service in present grade.

Second Lieut. Harold H. Utley to be a first lieutenant in the United States Marine Corps from the 10th day of July, 1908, vice First Lieut. Albert N. Brunzell, promoted.

POSTMASTERS.

ARIZONA.

W. Weiss to be postmaster at Clifton, Ariz., in place of Hugh M. Watson, resigned.

COLORADO.

Claude B. Carter to be postmaster at Leadville, Colo., in place of John Alfred, deceased.

CONNECTICUT.

Jerome S. Gainer to be postmaster at Noroton Heights, Conn. Office became presidential January 1, 1909.

GEORGIA.

William C. Cole to be postmaster at Lawrenceville, Ga., in place of William C. Cole. Incumbent's commission expires January 13, 1909.

William R. Watson to be postmaster at Lithonia, Ga., in place of William R. Watson. Incumbent's commission expired December 13, 1908.

ILLINOIS.

Omer N. Custer to be postmaster at Galesburg, Ill., in place of Francis A. Freer, deceased.

George M. Thompson to be postmaster at Bement, Ill., in place of George M. Thompson. Incumbent's commission expires January 11, 1909.

Joel P. Watson to be postmaster at Ashley, Ill., in place of Joel P. Watson. Incumbent's commission expired December 12, 1908.

KANSAS.

John P. Lang to be postmaster at Sylvan Grove, Kans. Office became presidential January 1, 1909.

Floyd E. Richmond to be postmaster at Logan, Kans., in place of Floyd E. Richmond. Incumbent's commission expires January 9, 1909.

Warren D. Vincent to be postmaster at Hoisington, Kans., in place of Warren D. Vincent. Incumbent's commission expired December 13, 1908.

LOUISIANA.

Edgar A. Barrios to be postmaster at Lockport, La. Office became presidential January 1, 1909.

MASSACHUSETTS.

George A. Birnie to be postmaster at Ludlow, Mass., in place of George A. Birnie. Incumbent's commission expires January 23, 1909.

Charles E. Brady to be postmaster at Sandwich, Mass., in place of Charles E. Brady. Incumbent's commission expired December 8, 1908.

MICHIGAN.

Oliver D. Carson to be postmaster at Galesburg, Mich., in place of Oliver D. Carson. Incumbent's commission expired December 12, 1908.

Frank A. Kenyon to be postmaster at East Jordan, Mich., in place of Frank A. Kenyon. Incumbent's commission expired December 12, 1908.

Newton E. Miller to be postmaster at Athens, Mich. Office became presidential January 1, 1909.

MINNESOTA.

William H. Smith to be postmaster at Cambridge, Minn., in place of William H. Smith. Incumbent's commission expires January 23, 1909.

MISSOURI.

Elmer E. Hart to be postmaster at Eldon, Mo., in place of Elmer E. Hart. Incumbent's commission expires January 21, 1909.

Francis M. Jones to be postmaster at Winona, Mo. Office became presidential January 1, 1908.

John A. Knowles to be postmaster at Flat River, Mo., in place of John A. Knowles. Incumbent's commission expires January 14, 1909.

MONTANA.

Emma Dimmick to be postmaster at Eureka, Mont. Office became presidential January 1, 1909.

Henry I. Grant to be postmaster at Columbus, Mont. Office became presidential January 1, 1909.

Benjamin T. Stevens to be postmaster at Harlowton, Mont. Office became presidential January 1, 1909.

NEVADA.

Eugene L. Dutertre to be postmaster at Golconda, Nev. Office became presidential January 1, 1909.

OHIO.

Charles E. Ainger to be postmaster at Andover, Ohio, in place of Charles E. Ainger. Incumbent's commission expired December 13, 1908.

John C. Burrow to be postmaster at Cortland, Ohio, in place of John C. Burrow. Incumbent's commission expired December 13, 1908.

OKLAHOMA.

William T. Barrett to be postmaster at Carmen, Okla., in place of William T. Barrett. Incumbent's commission expires January 9, 1909.

OREGON.

Ella V. Powers to be postmaster at Canyon City, Oreg. Office became presidential January 1, 1909.

PENNSYLVANIA.

Julia C. Gleason to be postmaster at Villanova, Pa., Office became presidential January 1, 1909.

SOUTH DAKOTA.

John D. Cotton to be postmaster at Parker, S. Dak., in place of John D. Cotton. Incumbent's commission expired May 7, 1906.

TEXAS.

Lyman E. Robbins to be postmaster at Quanah, Tex., in place of Lyman E. Robbins. Incumbent's commission expires January 10, 1909.

UTAH.

James Clove to be postmaster at Provo, Utah, in place of James Clove. Incumbent's commission expired December 14, 1908.

VERMONT.

David K. Simonds to be postmaster at Manchester, Vt., in place of David K. Simonds. Incumbent's commission expired December 12, 1908.

WEST VIRGINIA.

Paul H. Metcalf to be postmaster at Williamstown, W. Va. Office became presidential January 1, 1909.

WISCONSIN.

Charles E. Bartlett to be postmaster at Cameron, Wis. Office became presidential January 1, 1909.

Frank K. Havens to be postmaster at Prescott, Wis. Office became presidential January 1, 1909.

Alfred S. Otis to be postmaster at Maiden Rock, Wis. Office became presidential January 1, 1909.

James W. Simmons to be postmaster at Corliss, Wis. Office became presidential April 1, 1908.

CONFIRMATIONS.

Executive nominations confirmed by the Senate January 6, 1909.

JUDGES OF THE CIRCUIT COURT OF HAWAII.

John A. Matthewman, of Hawaii, to be judge of the circuit court of the third circuit of the Territory of Hawaii.

J. Hardy, of Hawaii, to be judge of the circuit court of the fifth circuit of the Territory of Hawaii.

Charles F. Parsons, of Hawaii, to be judge of the circuit court of the fourth circuit of the Territory of Hawaii.

PROMOTIONS IN THE NAVY.

The following-named midshipmen to be ensigns in the navy from the 13th day of September, 1908:

Gardner L. Caskey,
John B. Rhodes,
Philip G. Lauman,
Arthur W. Frank,
Albert C. Read,
George H. Bowdey,
Ralph T. Hanson,
Robert A. Theobald,
Richard Hill,
Fletcher C. Starr,
William L. Beck,
Alfred W. Brown, jr.,
Frank Russell,
Guy E. Baker,
John A. Monroe,
William F. Newton,
David A. Scott,
Willis W. Bradley, jr.,
David G. Copeland,
Raymond A. Spruance,
Calvin P. Page,
Earle F. Johnson,
Henry K. Hewitt,
Felix X. Gyax,
Guy E. Davis,
Weyman P. Beehler,
Lemuel M. Stevens,
Warren C. Nixon,
John W. W. Cumming,
Charles R. Clark,
Chester H. J. Keppler,
Charles A. Dunn,
Frederick W. Milner,
Charles G. Davy,
Horace T. Dyer,
Charles C. Gill,
Augustin T. Beauregard,
Damon E. Cummings,
Russell S. Crenshaw,
Robert A. Burford, jr.,
Warren G. Child,
Herbert S. Babbitt,
William H. Lee,
Bryson Bruce,
William P. Williamson,
Randall Jacobs,
Vaughn V. Woodward,
Richard S. Edwards,
Robert T. S. Lowell,
Clyde R. Robinson,
Richard T. Keiran,
Ralph C. Needham,
James B. Howell,
Charles C. Slayton,
John H. Hoover,
Louis H. Maxfield,
Raymond F. Frellsen,
William H. Walsh,
Alfred W. Atkins,
Claude A. Jones,
Harry Campbell,
George W. Kenyon,
Allan S. Farquhar,
Lucien F. Kimball,

Harold M. Bemis,
John M. Schelling, and
Bert B. Taylor.

REAR-ADMIRAL.

Capt. William W. Kimball to be a rear-admiral in the navy.

POSTMASTERS.

CALIFORNIA.

Josiah R. Baker to be postmaster at Antioch, Cal.

FLORIDA.

Enoch E. Skipper to be postmaster at Bartow, Fla.

OREGON.

Jesse N. Baskett to be postmaster at Freewater, Oreg.
Nathan E. Chambliss to be postmaster at Arleta, Oreg.
Charles W. Merrill to be postmaster at Bend, Oreg.
George M. Richey to be postmaster at Lagrande, Oreg.

WEST VIRGINIA.

Joseph Williams to be postmaster at St. Marys, W. Va.

WASHINGTON.

Samuel F. Street to be postmaster at Edmunds, Wash.

ARBITRATION WITH ARGENTINE REPUBLIC.

The injunction of secrecy was removed from an arbitration convention between the United States and the Argentine Republic, signed at Washington on December 23, 1908.

ARBITRATION WITH THE REPUBLIC OF SALVADOR.

The injunction of secrecy was removed from an arbitration convention between the United States and the Republic of Salvador, signed at Washington on December 21, 1908.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, January 6, 1909.

The House met at 12 o'clock noon.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of the proceedings of yesterday was read and approved.

DISTRICT OF COLUMBIA APPROPRIATION BILL.

Mr. GARDNER of Michigan. Mr. Speaker, I am directed by the Committee on Appropriations to report the District of Columbia appropriation bill, making appropriations for the expenses of the District for the fiscal year ending June 30, 1910.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read as follows:

A bill (H. R. 25392) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1910, and for other purposes.

Mr. BOWERS. Mr. Speaker, I desire to reserve all points of order on the bill.

The SPEAKER. The gentleman from Mississippi reserves all points of order on the bill, which bill is referred to the Committee of the Whole House on the state of the Union.

Mr. GARDNER of Michigan. Mr. Speaker, I desire to give notice I will call up this bill for consideration to-morrow morning.

CALL OF COMMITTEES.

The SPEAKER. The Clerk will proceed to call the next committee.

When the Committee on Military Affairs was called,

ARMY OFFICERS WITH INCREASED RANK.

Mr. HULL of Iowa. Mr. Speaker, I desire to call up the bill S. 653.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

An act (S. 653) to authorize commissions to issue in the cases of officers of the army retired with increased rank.

Be it enacted, etc., That officers of the army on the retired list whose rank has been, or shall hereafter be, advanced by operation of or in accordance with law shall be entitled to and shall receive commissions in accordance with such advanced rank.

Mr. HULL of Iowa. Mr. Speaker, I desire to move an amendment, I do not know the line in the Senate bill, but to insert after the word "Army" the words "Navy and Marine Corps" so that it will read, "officers of the Army, Navy, and Marine Corps."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

In line 3, after the word "Army," insert the words "Navy and Marine Corps."

Mr. MANN. Mr. Speaker, before the amendment is offered I wish the gentleman would give the reasons for the bill.

Mr. PAYNE. I wish he would give the reasons and also the result.

Mr. HULL of Iowa. Under the act of April 23, 1904, officers of the army who have served in the civil war, whether on the active or retired list, were advanced one grade. In other words, a captain became a major, with rank, pay, and allowances. The navy had already passed a bill of this kind affecting the naval active officers and afterwards passed one affecting retired officers. Now, those who are on the active list of the army get this rank, pay, and commission and those on the retired list get the rank and pay, but have no commission. Now, officers of the army on the retired list would like to have a commission. It does not increase the rank or pay. The Naval Committee requested the same action in regard to the officers on the retired list of the navy and the chairman of the Committee on Naval Affairs, and, I think, all the other members of the committee, united in requesting this amendment being offered, and said if I would notify them when it came up they would be glad to offer it. It places all on an equality and has no effect except to give a commission and the rank and pay to which the Congress of the United States has already advanced them.

Mr. MANN. If the Congress has advanced them to this rank, why do not they have a commission? What is the purpose of the bill? I have read this bill and read the report of the War Department, but can not get it through my head yet what they want and why they want it and what good it will do.

Mr. HULL of Iowa. The purpose of the bill is—

Mr. MANN. I can not get it through my head yet what they want.

Mr. HULL of Iowa. It gives them a commission. It gives them no additional pay. It gives them a commission the same as if they had been on the active list.

Mr. MANN. Take the case that was referred to in the newspapers a few days ago, and will the gentleman tell us how it will operate in that case? The papers stated a few days ago that a certain officer of the army had been declared to be incapable physically of promotion in the army, and thereupon he was ordered retired because of his physical incapacity at a higher grade than he then had, in order that he might accompany the President to Africa, where I suppose physical capacity is as much required as in any other place. Is it possible under existing law for such a thing as that to occur, or is that a newspaper mistake?

Mr. HULL of Iowa. I want to say that as far as this bill is concerned it would not affect that case in the slightest degree one way or the other. The man he refers to has no civil-war record. If the gentleman will remember, we passed an act that was approved April 23, 1904, as follows:

That any officer of the army below the grade of brigadier-general, who served with credit as an officer, or any enlisted man in the Regular or Volunteer forces during the civil war prior to April 9, 1865, otherwise than as a cadet, and whose name is borne on the official register of the army, and who has heretofore been, or may hereafter be, retired on account of wounds or disability incident to the service, or on account of age or after forty years' service, may, in the discretion of the President, by and with the advice and consent of the Senate, be placed on the retired list of the army with the rank and retired pay of one grade above that actually held by him at the time of retirement.

Now, the case the gentleman refers to has nothing whatever to do with this bill, and under no circumstances could he be a beneficiary of it.

Mr. MANN. That may be a matter of argument.

Mr. HULL of Iowa. No; it is not.

Mr. MANN. If the gentleman is positive about it, I will take his assurance, and perhaps he will give further assurance then. The statement in the papers was that this man had been retired, on three-quarters pay, I suppose, at an advanced grade; and that he was now ordered to duty at his full pay at the advanced grade in order to accompany the President to Africa. I take it that it is not possible, not intended, and that it was a newspaper story, but I would like the authority of the gentleman.

Mr. HULL of Iowa. I want to say to the gentleman, under the laws of this country, if a man serves up to the time he is entitled to promotion and a vacancy occurs, and he is not able to discharge the duties on account of physical disabilities, he is promoted to that and retired at the grade he has earned by service. That is the case, probably, of this officer. That is the present law. The case we are legislating on now refers to those officers of the Army, Navy, and Marine Corps who had creditable service in the civil war otherwise than as a cadet.

Mr. MANN. I wanted to get the gentleman to deny this libel on the President.